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"GETTING THINGS DONE."

The Supreme business importance
of making every moment count.

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of its management to get things done."*

By THOMAS DIXON,

Managing Director, The Dictaphone Company, Limited.

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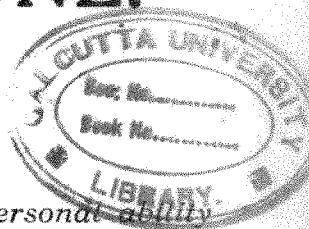
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Editorial Notes.

The Trade Union Congress.

WHAT was the real significance of the Trade Union Congress held during last month at Edinburgh? It certainly was used as an occasion for much irresponsible "inkslinging." Hysterical Politically controlled dailies hailed the proceedings as a "return to sanity" born of the lessons of the General Strike. The National Minority Movement in vituperative language of the coarsest type, described them as a "crime against the working class of the world." Between these extremes, both of which have partisan axes to grind, there lies the truth—a truth so profound as to give pause to thoughtful men, and in particular employers of labour. For a great opportunity is furnished by the men of their own volition, and not under pressure—certainly not of fear due to the results of the General Strike. They, like the rest of us are British, and fear is not so easily instilled in the hearts of the men, who, with all due deference to America, *won the War*. The typically British sense of proportion returned to its centre of gravity. The genius of the national temperament, compromise, asserted itself.

The Statesmanship of Peace.

The appeal of the President for the "fullest possible development of machinery for joint consultation between employers and employed, was statesmanship of the highest order. A few years ago—since the war—George Hicks was breathing fire and slaughter, with no quarter, against Capitalists, and the "system." Even the official organ of the Communist Party is constrained to refer to the "statesmanlike terms" in which he spoke. It is but another illustration of the inherent genius for government of the British people.

The real and vital issue, is how to give the appeal its fullest possible effect. One great daily, in flaring headlines, called upon the Government to convene immediately a conference of employers and employed in London to discuss the industrial situation. This was the very antithesis of Mr. Hicks' statesmanship. The industrial troubles of this country will never be solved by such a "call to arms." Mr. J. H. Thomas at Buxton emphasised the only practical method. "What is wanted is that practical people engaged in all industries should sit down to face the facts. If as an industrial nation, we are to survive, there must be an opportunity given for the workers themselves to be able to sit down face to face with the employers, both sides

putting their cards on the table. Instead of the workers being treated as mere hewers of wood and drawers of water they have got to be taken more into the confidence of the employers. Equally I would say to the workers, it is no good to assume you can get the best out of industry unless you are prepared to give the best yourselves."

Industrial Fellowship.

This in our view is the only policy which offers any hope of success. Psychology is a much over-worked word, but it is, to say the least, good psychology to take inherent temperamental virtues and use them as assets, we might add, and sound business too. The genius of compromise, to which we have referred, would find, in such industrial councils, conducted by industries, or even individual firms, its best expression. If success is to be assured, we must work upward from the *unit*, in whatever form this is practicable and not downward from the *aggregate*. The latter method is the antithesis of democracy, and whatever may be the forebodings of gloomy prophets of disaster if we persist in democratic ideas, the fact remains that we have got to deal with things as we find them, and in Great Britain to-day democracy, with a large D, dominates the public mind and vision.

The situation cannot be left with "nothing doing." If it means anything at all, it means that the T.U.C. has, with a clear vision, recognised the dignity of its position as the representative of Britain's craftsmanship. It is a refusal to remain any longer in the position of the dog with a noisy political can tied to its tail, which it must subsidise not only financially but, what is of infinitely greater value, with the moral support of its great position.

The Spectre of Reaction.

This is a great achievement, reversing the process of things since the formation of the L.R.C. in 1900. It has the further advantage of showing a sense of proportion. British Industry and Commerce is far too important to be shackled by political opportunism, whether Conservative, Liberal or Socialist. It must realise and insist upon its own greatness and dignity. When this happens none will more readily pay it homage than the political pundits.

We repeat, the situation must be turned to the advantage of the Nation. Failure to do this may well cause reaction, swinging the advantage in course of time in the direction of the extremists,

the National Minority Movement, who are not in the least disposed to take things lying down. It should not be overlooked that this name is merely camouflage for its real name, changed in 1925 for the purpose of deceiving British workmen as to its real character and gaining the support. That name, the British Bureau of Red International of Labour Unions, indicates its true character. Article 16 of its constitution confirms it:

The British Bureau . . . shall conduct a vigorous campaign within the trades unions on behalf of the R.I.L.U. and prepare programmes for adoption by the unions . . . and do all in its power to revolutionise the practice of the Unions to draw them into the R.I. of L.U.

The British Bureau . . . shall work in accord and co-operation with the Communist Party, translating into the national arena the same relations as exist between the Central Executive Council of the R.I.L.U. and the Communist International.

The Responsibility of Privilege.

Upon employers of labour is thrust the greater and final responsibility. By their training, the nature of their duties, their more comprehensive vision which results from contact with a larger world, their education (in most cases) and in the last resort, the greater sense of responsibility which is developed as the aggregate of all these, they are compelled to accept the gesture of the T.U.C. at its 100 per cent. value, and in the interests of the nation of which they are a part, use the opportunity to its uttermost. Will they do it? We think they will. Many noble minds are met with in commerce and industry, and we are convinced that if they show their natural leadership the rest will gladly follow.

* * *

The International Congress of Scientific Management.

DELEGATES representing over forty nations attended the third International Congress of Scientific Management at Rome last month, and no fewer than 160 papers were presented. Mussolini took great interest in the Congress, and delivered an oration at one of the sessions which made a great impression upon the delegates. The Italian Dictator, characteristically enough, is an ardent supporter of the principles of scientific management, and under his leadership the Government has recently established a central body, the Ente Nazionale Italiano per l'Organizzazione Scientifica del Lavoro, with the expressed object of systematically applying improved management methods to State organisations and of encouraging their adoption throughout the manufacturing plants of Italy.

The Movement in England.

NOTABLE English contributions to the deliberations of the Congress were made by Mr. F. W. Lawe, M.A., Secretary of the National Institute of Industrial Psychology, and Mr. L. Urwick, M.A., of London. Mr. Lawe declared that industrial psychology constitutes the most active force in the management movement in Great Britain, and British efforts were directed to the encouragement of the scientific spirit in industry—measurement instead of guesswork, controlled experiment in place of trial and error, as well as the scientific study of the worker. According to Mr. Urwick, there are now from 50 to 60 organisations devoted to the study of scientific management in this country, and steps have been taken to co-ordinate their work. The proceedings of the Congress afforded impressive evidence of the remarkable progress that is being made throughout Europe in applying the technique of scientific management to the problems of industry, and British research work in this direction was especially referred to with approval.

* * *

Smothering the Friendly Societies.

MR George Lingstrom, a Past Grand Master of the Manchester Unity of Oddfellows, made a noteworthy protest in his presidential address to the National Conference of Friendly Societies held at Southport last month, against what he described as the deadly evil of the growing encroachment of State officialism on friendly society work. State insurance was slowly smothering the friendly societies. Was it any wonder that people should say, "Leave me alone: the State will provide in the day of need. Why then, should we care for aught beyond the need of the existing hour?" The State service might function with greater precision, added Mr. Lingstrom, but it was the monotonous action of a machine. It brought no strength of character to those for whom it ministered, whereas the experience gained by doing their own work and suffering from errors made left on the characters of the doers an ineradicable impression.

* * *

Discouraging Voluntary Effort.

MR Lingstrom's outcry voices opinions that are widely held among the older and more experienced members of the friendly society movement. It is common knowledge that since the introduction of State insurance the meetings of the friendly society courts and lodges have lost much of their interest for the members,

and are no longer so well attended. So many formidable regulations and so much red tape are imposed upon the officials by the State system of administration that a friendly society secretaryship tends to become more and more a whole-time job, and the time is coming when only a Government employee will be able to perform it to the satisfaction of Whitehall. Many of the older secretaries, who formerly carried on the work, largely as a labour of love, have thrown up their posts in despair. These men have been the backbone of the friendly society movement, enthusiastic workers in the cause of Oddfellowship and Forestry, and they regard the system of State insurance with bitter feelings. In their view, the costs of administration and of the medical service are exorbitantly high. They deplore the decline of interest in the friendly society movement, and have no hesitation in attributing it to the paralysing effect of State interference

* * *

Underfed Business Women.

IS the light lunch responsible for the fact that young single women between the ages of 18 and 27 die in greater numbers than young married women of the same ages? One of the striking things in the Government Actuary's report on the life tables based on the 1921 census, and on the average number of deaths recorded in the years 1920, 1921 and 1922, was the evidence of deterioration in mortality among young single women. Sir Alfred Watson showed that while in the case of males there was no deterioration, for females between these ages the 1921 rates of mortality were appreciably higher than those of 1911. Moreover, it was apparent that this deterioration in mortality did not apply to young married women. The decade covered by the comparison has of course witnessed a tremendous increase in the number of young women engaged in business

Dr. Winifred Cullis, the eminent physiologist, suggests that perhaps an explanation of this disquieting fact disclosed in the Government Actuary's report might be found in systematic under-feeding. So many young women to-day do not feed themselves properly, she says. They do not understand that food is the greatest single factor in longevity. Only recently she had been asked to visit a large factory where the management had installed a canteen and provided abundant good food. The management were greatly distressed because the girls ate so little and refused the nice food available. Women in industry now lead riskier lives and should eat plenty of nourishing food. Generally speaking, says Dr. Cullis, they did not seem to do this. Most people who have experience of City tea-

shops will endorse this view. Meals of the bun-and-milk type, hastily swallowed in the rush-hour lunch, are still far too prevalent. Young business women, and men too, who study their health, should beware of the perils of underfeeding.

* * *

Diana of the Cross Words.

EMLOYERS should look out for excuses to increase salaries or give bonuses to their staffs " was the bright suggestion made by Miss Gladys Burlton, B.A. to the Industrial Welfare Conference at Oxford last month. Miss Burlton had some sharp things to say of some employers in this country— " little men in their big businesses," " imbeciles, who would do nothing for their workers until they were forced to," she called them. If the employer were happy himself, and gathered round him as managers men and women of happy temperament, he could actually promote happiness in his staff, she declared; adding, however, that " Very few heads of big businesses seem to me to be happy." Unfortunate plutocrats! Miss Burlton conducts the Burlton Business Institute, and was formerly chief of the Staff Education Department at Selfridge's

* * *

A Novel Profit-sharing Experiment.

A PROFIT-SHARING scheme on original lines has been formulated by Messrs Peter Robinson, the well-known Oxford Street drapery firm, with the object of giving the staff a more direct interest in the business. A public company, the Peter Robinson Staff Society, Ltd, has been formed with a nominal capital of £25,000 divided into 20,000 6 per cent £1 cumulative participating shares and 5,000 ordinary shares. The directors will hold the ordinary shares of the Staff Society, and the holders of the participating shares are to receive a dividend of 6 per cent. If the profits will not allow of 6 per cent being paid, the directors will receive a lesser dividend or no dividend, but in no case can the ordinary shares have a better result than the staff participating shares. A general increase in the company's dividend will benefit all concerned, there being participation *pari passu* with the ordinary shares. The scheme is intended to guarantee the staff member 6 per cent, with increases as prosperity grows, and thus at the same time to avoid the fluctuations of fortune common to the ordinary co-partnership scheme. It is to be open to all the firm's 2,500 employees, and by means of a deposit or investment scheme the members will be able to qualify for the minimum holding in the most convenient way.

THE WORLD OF FINANCE

The recent Industrial Share Boom—Reasons for its Failure— Pessimism and Optimism—Artificial Silk Shares and their Prospects.

By OUR FINANCIAL EDITOR.

ALTHOUGH the past month has given us a minor boom in industrial shares on the London Stock Exchange, there is grave reason to worry about the position of British trade. All is not well.

In this magazine the doctrines of the pessimist, who sees nothing but ruin ahead, have no place. Pessimism, besides being illogical, has the effect of paralysing all constructive effort, and what is needed everywhere to-day, and especially in the world of finance, is constructive effort. There is a type of optimism, however, which, if anything, is sillier than rank pessimism. This is the optimism which never gives results at the current time but has the Micawber outlook of thinking something good will turn up of itself in the future.

To this order of optimism the people who created the Stock Exchange boom in industrial shares gave their support. There was nothing new in the trade situation to justify it: the boom arose simply from a feeling that things were going to be better.

OPTIMIST!!

This optimism reminds one of the incident at a company meeting where the chairman, in the absence of dividends, spoke of the glorious rewards which were stored up in the future. A shareholder, whose bank balance could not grow upon hope deferred, said bluntly "Always the same old tale, sir; always nothing *now*, but abundance in years to come. We shareholders would like a bird in the hand as a change from a flock in the dim and distant future." The chairman beamed on him and said, "Oh, Mr Smith, what a pessimist you are!" And the shareholder's swift retort was "True, sir, I am a pessimist about this company. And I'll

tell you what a pessimist is; he is a man who has lived with an optimist." The chairman lost his smile in the outburst of laughter against him.

OPTIMISTIC LUNACY.

We must get away from woolly optimism. What happened in the September boom in industrial shares was that a number of people, without reasoning on the subject, suddenly began buying all sorts of "industrials" and sending prices up. They bought heavily the shares of a company which has done badly for a few years and sent up the price by 5/- a share. Hardly had the shares got into their hands before the directors of the company announced that they could not pay even their Preference dividend. The shares went back to their low level with a bang. In innumerable other instances shares were rushed up in price and rushed back of their own dulness within a very few days. Such speculation on optimistic lunacy is all to the harm both of industry and the Stock Exchange as well.

SPECULATORS VERSUS INVESTORS.

The fundamental conditions in trade are the only safe foundation for judging of the values of industrial shares. The pure speculator may, of course, ignore those factors. He may look only to the Stock Exchange conditions and base his purchases and sales on whether the mentality of that institution favours a rise or a fall in the particular shares he has in mind. But that is a risky game and only to be played by people who have money to venture and an expert knowledge of the ways of the Stock Exchange.

The investor does not rely purely on market movements but on the basic conditions of an industry or the particular company in whose

shares he is interested. It is for this reason that we have described the minor boom of September as not being justified. The basic conditions of trade at present leave a great deal to be desired and the principal reason for wanting less of woolly optimism is that it stands in the way of real effort to change those conditions for the better.

LANCASHIRE'S SPLENDID SPIRIT.

In some industries one does see a good deal of improvement. They are on the whole the smaller industries and those which in general rely mainly on home demand for the principal part of their trade. The great export industries are not doing as well as they should by a long way. Cotton, our greatest export industry was dealt with here in the last issue of this magazine. Since then there have been recurrences of the questionings whether our cotton industry must not let itself be persuaded that it has too many mills and too much plant for the amount of trade it can hope to get from the world in the future.

This is an example of the kind of pessimistic outlook that one would like to see dropped. The Lancashire spinners have held ever since the war that at some day or other all the splendid equipment of the county in the way of up-to-date machinery will be needed to supply the world's demand on our cotton industry. That has been their splendid optimism. They have concentrated their efforts on preserving that equipment so that when the demand came they would be able to meet it. But the economists of defeatism—like Mr. J. M. Keynes—have pressed their opinions on Lancashire, where it has been rebutted; and on the rest of the country, where it has been swallowed, that the time has come for our cotton industry to recognise that it can no longer hope to regain its pre-war volume of trade and that the sensible thing to do is to cut down the productive resources of Lancashire to a scale justified by the trade that can now be got.

CONFIDENCE!

We do not in the least share this view. We do not believe that the rest of the world is competing successfully against Lancashire. We do not believe they can do so. In the lines of fine goods which are our cotton industry's most profitable productions there is not a country in the world that has the machinery for competition, nor one with the operative skill to work the machinery if they had it.

The trouble is not permanent although it is so long-lived. What worries Lancashire is not the competition, but the many unexpected interferences that have come between it and its

That the DAILY SKETCH continues to pull good results for advertisers is proved by a letter from my friend, Lessel Hutcheon—managing director of the firm of advertising agents of that name—who on September 13 says, "the $\frac{1}{4}$ -page advertisement for the "GENERAL RADIO Company, which we ran last "week, proved highly satisfac- "tory, and I have pleasure in "enclosing an order for $\frac{1}{4}$ -page "for Wednesday of this week. "Last year we found the "picture papers did not pull "particularly well for wireless, "but this year I am happy "to say that your paper in "particular has shown very "good results.

"I attribute this to the fact
"that as time goes on, women
"are becoming purchasers of
"wireless sets, as they realise
"that the instruments now on
"the market are extraordi-
"narily reliable and simple to
"operate."

The DAILY SKETCH does certainly reach the women—it can broadcast your message effectively and profitably.

ULRIC B WALMSLEY, Advertisement Manager,
The Daily Sketch, 200, Gray's Inn Road, W.C. 1
Phone: Museum 9481.

customers. Russia, once so good a customer, now can only take miserably small quantities of its goods. Poor harvests in the early years after the war, and not Japanese competition, was the reason for India's falling off, which is now, with greater prosperity in India, beginning to be made up. The revolution in China was the cause of the partial cutting off of the great Far Eastern market and not the ability of anyone else to take the trade out of our hands.

These things are long-lived, as we have said, but they are not everlasting. India and China have already shown a good improvement over the worst, and who believes that Bolshevism will permanently stand in the way of Russia's people one day getting the clothing from us that they so greatly need? The Lancashire men who refuse to accept defeat or the counsels of defeat are right.

INVESTMENT PROSPECTS.

From an investment point of view industry in this country is not as attractive at present as one could wish. But it has many bright spots. Among the brightest is that of artificial silk. In recent times this comparatively new line of industry has had some conspicuous successes and failures. The failures have rather done injury to the industry because they have kept investment money away from any but the leading artificial silk shares.

As I think that artificial silk is likely to prove one of the means of saving our textile industry, I would like to invite the reader's attention to artificial silk shares, particularly the newer ones. Cotton manufacturers are now finding that fabrics blended from cotton and the better products of artificial silk are making great headway and the same is true of mixtures of wool and artificial silk. In fact the success of such mixtures has so much strengthened the demand for artificial silk that makers of that commodity find they cannot set a limit to the possible development of their industry.

BRITISH AND BEST.

This is a great thing for Britain because, as in the case of cotton and woollen textiles, we are the world's best manufacturers of the yarns and fabrics. Artificial silk goods were first given their send-off in this country; we are their pioneers. Even to-day though the greatest production and consumption of these goods takes place in other countries it is British skill and capital which carries on the greater part of the world's production of the material's. Courtalds are the world's greatest artificial silk concern. They are the biggest producers in America; they have interests in Germany, Italy, France, and

EUROPEAN FINANCE

— OFFERS —

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they are undisputed leaders in all that makes for the perfection of artificial silk production.

ARTIFICIAL SILK PROSPECTS.

For many years Courtalds' shares have been one of the most active counters on the Stock Exchange. At the present time the £1 Ordinary shares stand at just over £7 each. They give a much lower yield on dividend than gilt-edged securities; for even if Courtalds' dividend should be, as in all recent years except last, 25 per cent, tax free, the yield is only about $4\frac{1}{2}$ per cent, subject to tax, at the present price of the shares. The high price of the low yield are tributes to the extreme popularity of the shares and are proofs of the fact that investors expect that Courtalds will be able in the future either to pay much better dividends or to give away to shareholders more bonus shares. One is not sure that hope is not a little too expectant in this matter; but there can be no doubt at all that the great company is teeming with resources and is always able to maintain its leading position.

Investors, who wish to see their money do a good turn for British industry as well as give them chance of a rich reward, should take stock

of the new artificial silk companies, such as Branston Artificial Silk, Bulmer Rayon, Nuera, Harbens, Melso and—here I am making a very bold suggestion—the reconstructed Rayon Manufacturing Company. I think any investor who does not expect his profit in a month or two but is content to wait for two years will get a handsome profit on any of these shares if they are bought at about the prices ruling at the end of September.

I base my confidence on quite a number of factors. In the first place, all the companies are splendidly equipped. In the second, the production costs in the industry are low. In the third, the demand for first-class artificial silk products is growing and is capable of illimitable extension.

Add the fact that our genius as a people for textile operations makes for consistent advance in this newest of textile industries, and we see that here we have a really hopeful trade. Investors' money cannot be better used than in stimulating our advance in artificial silk.

AMERICAN COTTON AND DEBTS.

In conclusion let me point to one broad aspect of artificial silk production which is of the greatest international importance and which will lead in the long run to its growing consumption at the expense of cotton. America's raw cotton is sold to us at heavy cost and is a means of increasing our yearly payments to that country. At the same time by heavy tariffs America keeps our products out of her markets as much as she can. She has always in her dealings with this country a big balance of exports to us. Having to pay her £35,000,000 annually on the war debt settlement as well as the yearly surplus on trade with her, we find ourselves constantly at a disadvantage on the foreign exchange market, the pound never rising to its full par value in dollars because there is always more sterling to be changed into dollars than vice versa. In the future, if we are to regain the supremacy we had before the war, either America will have to import more from us or we shall have to import less from her. The former is unlikely with a country so tariff bitten as America. The latter may prove easy. The substitution of artificial silk for cotton wherever it is possible in our textile industry—not total substitution in the sense of making artificial silk fabrics take the place of cotton fabrics which I think is impossible, but rather the increased manufacture of mixtures of the two materials—will lessen our needs of American raw cotton and thus ease our trade indebtedness to America. Such a partial but increasing independence of American cotton

would be a godsend to this country and in the end would maintain our textile plant and machinery in work and give us a much more handsome profit than can be got from exclusive use of raw cotton. Think this over. How often, when American exchanges have been rigging cotton prices, have we wished we were not so dependent on her crop!

"EUROPEAN FINANCE,"

our exceptionally well-informed contemporary, in its issue for Sept. 21, furnishes strong confirmation of our recommendation to British Houses to be up and doing in Czecho-Slovakia, made in our last issue. Other nations are taking a hand.

"Notwithstanding repeated official denials, persistent rumours are again current in Prague that the Government is considering the offer of a foreign group to farm out the Czecho-Slovakian State Railways. A high official of the State Railways is said to have gone to Paris with a view to discussing the matter with representatives of the interested foreign group. Two offers are stated to have been submitted to the Prague Government, one by an American consortium under the leadership of Mr Howard Kelly, and one by a Czecho-Slovakian group in conjunction with foreign financiers. The American consortium is reported to have offered for the lease of the Railways a sum of £150,000,000."

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Income Tax Law.

By F. E. SUGDEN, A.C.I.S., *Barrister-at-Law.*

Readers of "B.O.M." have requested us to assist them to a better understanding of Income Tax requirements. Many interesting and Complex Questions have been submitted to us. We have asked Mr. Sugden, whose lucid expositions of the Law in its relation to Business are familiar to our readers, to deal thoroughly with the whole subject. We shall be pleased to further assist our readers by replies to personal difficulties.—EDITOR.

IN the last issue of the magazine reference was made to Schedule A as this provision affects the business man. In continuation of this subject it is now proposed to deal with Schedule B, not exhaustively but in sufficient detail to be of ample use to the commercial aspirant.

Schedule B Provisions.

The duty leviable under Schedule B is a similar duty as that leviable under Schedule A upon profits derivable from land, but it differs from Schedule A in that it is chargeable upon the profits derived from the occupation of land (frequently called the Farmers' Tax). The tax is assessed on the annual value with no deduction for repairs or tithes. For the purpose of the duty the annual value is reduced to one-third where lands are not used mainly for husbandry. There are exemptions to this particular form of taxation, namely: (1) land covered by dwelling and business houses (other than farmhouses demised with farm lands); (2) gardens round houses up to one acre, (3) unfenced waste (not fit for pasturage) and building land, (4) allotment gardens.

Schedule C Provisions.

This tax relates to profits arising from interest, annuities, dividends and shares of annuities payable out of any public (i.e., Government) revenue and is to be charged for every twenty shillings of the annual amount thereof. The tax under this Schedule comprises not only dividends, etc., upon securities of the British Government payable in the United Kingdom, but also (when received here) dividends, etc., upon colonial and Indian Government securities and those of any foreign Government, upon dividends, etc., not received in the United Kingdom, if such are

chargeable under this Schedule, or dividends of private companies chargeable under Schedule D.

The duty is levied by the person or body entrusted with the payment of the dividends and deducted by them before making such payment. The person entitled to the dividends, etc., is required to allow such deduction. The persons or corporations deducting the duty are to pay it over and account to the Crown in accordance with the provisions of the Income Tax Acts.

Income from Foreign Investments.

In the case of annuities or dividends or shares of annuities payable out of the revenue of any foreign State, or out of the public revenue of any colony or settlement belonging to the Crown, the following persons are required to deliver an account showing the names and residences of those entitled to the same: (a) any person (other than the Bank of England and the National Debt Commissioners) entrusted with or acting as agent or in any other character in, the payment thereof to any person or corporation, etc., or even company in the United Kingdom or to any person whose title thereto is shown by the registration or entry of his name in any book or list ordinarily kept in the United Kingdom; (b) any banker, etc., who shall sell or otherwise realise coupons or warrants for, or bills of exchange purporting to be drawn or made in payment of, any dividends (save such as are payable in the United Kingdom only) and pay over the proceeds to any person or carry the same to his account; (c) any person who shall by means of coupons (in which word is included warrants for, or bills of exchange drawn or made in payment of any dividends) received from any other person, or otherwise on his behalf, obtain payment of any dividends elsewhere than in the United Kingdom, (d) any dealer in coupons who shall purchase

coupons for any dividends (in which word is included warrants for, or bills of exchange drawn or made in payment of any dividend, save such as are payable in the United Kingdom only) otherwise than from a banker, or person acting as a banker. The above account is to be delivered to the Commissioners of Inland Revenue within one month after a general notice in the London Gazette. This account is to include a description of the annuities, dividends, etc., and (if demanded) a statement of the amounts payable by each of the persons so required to deliver such account and other particulars.

The amount of duty payable on such annuities, dividends, etc., is then assessed by the Special Commissioners and the person delivering the account deducts the sum assessed from the annuities or dividends, etc., payable and pays such sums into the account of the Commissioners of Inland Revenue at the Bank of England.

The tax is not payable in respect of the interest or dividends of any securities of a foreign State or a British possession which are payable in the United Kingdom, where it is proved to the satisfaction of the Commissioners of Inland Revenue that the person owning the security is not resident in the United Kingdom.

Relief under this provision may be given by the Commissioners of Inland Revenue either by way of allowance or repayment on a claim being made to them for the purpose within six months of the end of the year for which the tax is charged.

Schedule E Provisions.

Strictly speaking, to keep chronologically to the subject one should now deal with the provisions of Schedule D, which is exceptionally important because of the recent changes in the Finance Act, and thus it is very essential that the subject should, as far as practicable, be exhaustively dealt with. In view of the fact that Schedule E is not so important certainly will not require so lengthy treatment, with our worthy Editor's permission one proposes to deal with Schedule E first and afterwards deal more fully with Schedule D.

Schedule E is a tax payable in respect of public offices or employments of profit, and on annuities, pensions or stipends payable by the Crown or out of the public revenue except where such income is already assessed under Schedule D. With the above exception the charge includes all salaries, fees, wages, perquisites or profits, accruing by reason of public offices, employments or pensions. Legally perquisites mean such profits of offices and employments as arise from fees or other

emoluments payable either by the Crown or the subject in course of such employment. The salary, pension or stipend is chargeable upon the amount actually received in the year of assessment. Additions to salary by way of war bonus and other temporary increases or additions to meet the rise in the cost of living are chargeable to tax as salary, etc., and do not legally come under the head of perquisites.

Limitation of Schedule E.

Schedule E does not extend to workmen or artificers, and consequently engine drivers, porters and labourers in the employ of a railway company are chargeable under Schedule D and not under this Schedule. An officer, such as a bursar of a college, who is paid a salary out of the college funds is taxed under Schedule E. Where a person is chargeable under Schedule E in respect of a public office, everything in the shape of profit accruing is also chargeable in this schedule and not under Schedule D.

What is the legal position when premises are occupied rent free? An emolument or perquisite which is neither money nor capable of being converted into money is not income for the purpose of Income Tax Assessment and is consequently not chargeable as an emolument of office and for this reason the right of the holder of an office, as part of the terms of employment to occupy premises rent free, but not to let them is not chargeable although if the right to let such premises existed, the money value of such right would be chargeable. This point of law was laid down by the case of *Inland Revenue v. Sutherland*. But in the recent case of *Cordy v. Gordon* the Court held that where the person to be assessed is paid a gross salary from which the employer deducts certain sums varying with the cost of living for board, etc., supplied by the employer, the gross salary is chargeable.

There is a very knotty point in regard to voluntary gifts received by an employee in the course of his employment. Should they be declared for the purposes of Income Tax? Voluntary gifts and contributions received from an employer or from third persons are chargeable as emoluments, provided they accrue to the holder of the office or employment by virtue of the holding of it and not as gifts to him as an individual irrespective of his office. An employee is chargeable in respect of a sum annually placed to his credit as part of his salary under a Provident Fund scheme, the payment of which is deferred. This point of law was laid down by the case of *Bell v. Gubible*.

Knotty Points under Schedule E.

One feels sure that our readers will gladly welcome additional actual case law as guidance for the future. In the case of *Cowan v Seymour* the Court held that a present by shareholders of a company after the winding-up to a person who acted as secretary of the company and liquidator in the winding-up without remuneration of any kind is not assessable to Income Tax. Being paid after the recipient's office has terminated, and not paid by the employers, but by the shareholders out of moneys divisible amongst themselves, it is a gift to the donee in the nature of a testimonial, and therefore not a profit which accrued to him by reason of an office or employment of profit under Schedule E. In the case of *Chibbett v Robinson* the Court held that a sum paid on the voluntary liquidation of a company (steamship) to the firm which managed the ships as compensation for loss of office was found by the general commissioners not to be a profit liable to Income Tax or excess profits duty.

There was a case (*Mudd v. Collins*) where an incorporated accountant who was secretary and director of a limited company was paid for his services as secretary and director. Incidentally the accountant negotiated the sale of a branch of the company's business and subsequently the directors awarded him a commission for his services in regard to the sale. The accountant was assessed to income tax under Schedule E in respect of the amount of the commission. The Court held that although the payment of the commission was not made in respect of a duty involved in the accountant's secretaryship and directorship, yet, as the commission was paid to him by his employers as remuneration for work done, it was a payment for the accountant's services in respect of his office and therefore the accountant was liable for assessment under Schedule E.

In the case of *Hartland v Diggins* the Court held that where a company, although voluntarily and without any agreement to that effect pays the income tax upon the salary of an employee the latter's actual salary, for the purpose of assessment to Income Tax must be calculated at the amount actually received by the employee plus the amount of tax paid by the employer.

What is the law in reference to the place of assessment under Schedule E? Every person assessable for his office or employment is to be deemed to have exercised the same at the head office of the department under which such office or employment shall be held, and is to be rated therefrom, although the duties be performed, or the profits arising therefrom be payable, elsewhere, within or without the United Kingdom.

Every employer, whether his employees are chargeable under this Schedule (E) or even under Schedule D (to be dealt with later), when required to do so by notice from an assessor, must under penalty within the time limited prepare and deliver a return of the names and places of residence of all persons employed by him and the payments made to them in respect of that employment, including, in the case of a body of persons corporate or not corporate, directors and managers, but this provision does not apply to employees who are not employed in any other employment and whose remuneration for the year in question does not exceed the revised limit of £160.

Certain deductions are permissible, namely, expenses of travelling in the performing of the duties of a public office or employment or of keeping a house, etc., etc., to enable the holder to perform such duties, or moneys otherwise laid out wholly, exclusively and necessarily in the performance of such duties. Expenses of travelling from a person's residence to his place of business are not deductible, nor are the wages of a servant, whose services are necessary to enable a schoolmaster and his wife to give their services as teachers.

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Telephone Expansion.

DESPITE occasional complaints in the Press as to the efficiency of the service, and comparisons with Sweden and America more or less unfavourable to this country, the progressive expansion of the telephone system is proceeding very rapidly. Some striking figures in proof of this have been given recently by Sir William Thomson, the Postmaster-General. The total number of telephones now exceeds 1,500,000. During the last two financial years £22,513,000 was expended on telephone development, and the present rate of expenditure is roughly £1,000,000 a month. There was a record net growth in telephones during the past financial years, the total additions being no fewer than 118,633. The telephone service was inaugurated in this country in 1876, and some idea of how rapid recent development has been is afforded by the fact that while it took 46 years before the total number of telephones in use reached a million, the next half-million have been added in less than five years.

The Defects of the Rating System.

By H. A. SILVERMAN, B.A.

The unfair incidence of our English rating system has been the subject of much adverse comment. It has been responsible in a number of notable instances for the migration of successful businesses from districts where they were adversely affected by the rating, to places where their production costs were less affected by the heavy overhead charges due to rates, thus securing a more favourable chance for their products in competition from abroad. Mr. Silverman applies to the subject his well-known analytical power and sound judgement.—EDITOR.

THE English system of local rating is one of those institutions that are admitted on all sides to be more or less obsolete in the light of twentieth century conditions and knowledge, yet which continue to be endured either because of the inertia of our public leaders, or, more likely, because of the uncertainty of the results that will follow one or other of the alternative methods proposed. The rating system may have been a satisfactory means of raising funds for local expenditure when it was first devised over 300 years ago, and the basis of immovable property may have been in those days a sound criterion of the citizen's ability to pay. Since then local functions have constantly widened, but the poor rate, which was the original form of local taxation, has still a considerable influence upon the area and the methods of local administration.

INEQUALITY OF BURDEN AMONG DISTRICTS.

The equity of the rating system has been questioned from more than one point of view. The first criticism relates to the inequality of burden as between one district and another. We have long abandoned the idea that poverty is a local matter, both as regards its origin and measures for its relief, but the antiquated principle of local responsibility still lingers. It is anomalous, to say the least, that an essentially working-class district, in which unemployment and distress are especially acute, should have a larger rate burden than a comparatively well-to-do residential area, in which the proportion of poverty is very low. It is true, of course, that there are various methods, such as that in London, for transferring certain funds from the wealthier to the poorer districts, and so reducing the inequality of the respective burdens, but the system as a whole is still far from satisfactory.

The expenditure in respect of other public duties, as, for example, education or road construction, is no more uniform as between one district and another, and consequently the rate-payers in some parts of the country are called

upon to pay more or less than their proper share. The fact that an enlightened local body in one county spends more than the average on education does not necessarily imply that the people in that county will specifically reap the benefit. It is not unlikely that, after receiving the benefit of a good education, a youth will migrate to an area in which the expenditure under that head has been inadequate. Similarly, if a town in the Midlands contributes a large sum to the construction of an arterial road, the benefit is by no means confined to the districts from which the special rates were drawn, but may be shared by people living at all points of the country.

Where, on the other hand, the object of the expenditure is mainly of local benefit, such as the provision of a recreation ground or a municipal orchestra, there is a stronger case for purely local rates to bear the cost. But an examination of local expenditures will show that the proportion of these "beneficial" functions (i.e., strictly local in their benefit) is dwindling compared with that of the so-called "onerous" duties (i.e., burdens which are shared in the interests of the county as a whole), and, further, the two are often so closely inter-related as to be hardly distinguishable.

INEQUALITY OF BURDEN AMONG RATEPAYERS.

A second criticism is that the system of rates, as levied in this country, differentiates unfairly between owners of immovable property and owners of movable property. It need hardly be pointed out that a person whose wealth is in the form of house or business premises cannot transfer his interests from one locality to another with the same ease as can a man whose wealth is of a more mobile kind. A person may make his income in a highly rated town, and have his residence in a district where the rates are comparatively low. Very often it is those classes who can best afford to pay heavy rates who are in a position to avoid them by living several miles away. Workpeople who have as a rule

to live close to their place of employment are the least able to bear the heavy rates that have usually to be paid in industrial areas

There is the same disparity between the burdens on one type of business premises and another. A manufacturer may make no more profit in a year than a solicitor, but the rates on the former's factory will probably be much heavier than those on the latter's offices. The burden of the rates falls with greater severity upon manufacturers and distributors as a class than upon agents and professional men, whose services are purely personal and do not necessitate much space for equipment. Even the high rent and rates that are usually charged for office premises in the favoured parts of a town are hardly likely to offset this particular advantage of the tenants

THE TEST OF ABILITY.

Underlying such observations is the criticism of the actual basis of local taxation. The size or value of the premises is a no more satisfactory index of ability as between different householders than it is between different business men. Income for income, a man with a large family has a smaller ability to pay rates than a man with a small family, yet the former will normally require a larger house and will therefore be called upon to bear a heavier rate burden.

It needs little demonstration that, as one's income rises beyond a certain point, the percentage spent in house rent gradually declines. The iniquity of the existing practice is evident to the most casual examination. It is a generally accepted principle of modern public finance that if there is to be an equitable distribution of the burden there should be some degree of progression in the scales of taxation. Thus, as in the income tax, the percentage taken for public purposes should start at zero with small incomes, and rise by stages to a high ratio in the large incomes. Admittedly this method is practicable only with a few taxes, and, in the case of customs and excise duties, one must be content at best with a purely proportionate, as opposed to a progressive, scale. In other words, if a person with ten times the income of another purchases ten times as much of a dutiable article, he pays ten times as much in taxation. This is not an exact distribution of burden according to the respective capacities of the two individuals, but it is the most that can be expected from a system of indirect taxation

Local rates, however, do not even come up to the standard of a proportionate levy. As a person with ten times the income of another probably spends far less in proportion on house

rent, the rates he is called upon to pay are degressive in character, the very opposite of the progressive scales that justice would demand

THE CASE FOR GRANTS-IN-AID.

In view of the admitted defects of the rating system, and the considerable extension of the functions of local authorities in the last few decades, the practice of granting subventions from the State Treasury has been adopted not only in the United Kingdom but in several European countries. There can be little objection raised against the general principle of such grants, though there is, on the other hand, considerable criticism of the methods employed and of the particular services that are subsidised. The case for and against may be briefly summarised.

The commonest argument in favour of grants-in-aid is to be found in those circumstances in which a local body is performing, or ought to perform, duties which are of national as well as of local importance. Examples, such as education, and public health, readily spring to mind.

Secondly, grants from the State are justified when the ratepayers in a district are, as a whole, too impoverished to bear the cost of the service, which, though mainly perhaps of local advantage, is of national benefit as well.

Thirdly, as already implied, grants-in-aid help to reduce the inequality of burden as between one locality and another

Fourthly, they may be employed as the means of stimulating to action those authorities, which in the absence of subsidy, would not undertake their public duties to the full.

Fifthly, since the central authority is usually more experienced in foreseeing and providing for public requirements, and, since the grants are, as a rule, conditional upon the attainment of a minimum standard of efficiency, the quality of the public services as a whole is likely thereby to be enhanced.

CRITICISM OF GRANTS-IN-AID.

The criticisms of grants-in-aid are, as we have previously stated, directed more against the methods adopted than against the essential principle. It is contended, in the first place, that the present practice does not result in a fair apportionment of the grants among the different localities. Secondly, the effectiveness of the central control over the manner and extent of local expenditure is questioned. And, thirdly, the system, particularly that of percentage as opposed to fixed grants, is denounced as being likely to encourage extravagance.

The Geddes Committee of 1922, in their observations on public expenditure stated: "We do not suggest that the local authorities are negli-

gent, nor do we suggest that they have not been directed to incur expenditure in conformity with a policy which, if left to themselves, they would not have incurred. We consider that the percentage grant should be abandoned in the interests of economy and be replaced by fixed grants or by grants based on some definite unit. Even though it were necessary to maintain the charge to the taxpayer at its present very high level, which we do not admit, the change would still, in our opinion, be very beneficial to the country by (i) increasing the incentive to local authorities to economise; (ii) restricting the growth of the demands on the taxpayer; (iii) enabling staff economies to be effected at headquarters.

It will be generally agreed that, while there are doubtless defects in the methods of administration, the principle of grants-in-aid should not be abandoned, so long as the present system of local rating is continued. In England and Wales, grants-in-aid amount at present to about 15 per cent of the total revenue of local authorities. The reliance upon the State to subsidise important social functions is now too firmly established to permit of any appreciable reduction in the amount of central assistance. When the long-overdue reforms are devised, they should be directed, not so much against the defects of grants-in-aid, as against the more serious evils inherent in the rating system itself.

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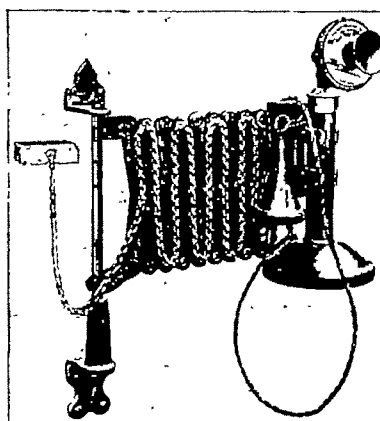
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INDUSTRIAL WELFARE

Service in Business.

By JESSIE STEVENS.

What is Welfare? The question was raised by an Employer in our June issue, under the title of "Principles." Since then we have arranged for contributions on this subject by those who have a practical working acquaintance with it. Business Combines are in the crucible of to-day. Their impersonal character causes a greater demand to be made upon them than upon the smaller private employer, for those things which are generically termed Welfare.—EDITOR.

MR. Pascall, emphasising the importance of Service in his speech at the Conference of Rotary Clubs at Margate, said: "Fellowship, team work and service before self"

The truth of this is generally accepted by all who are engaged in business, but is not always put into practice to the same extent in connection with staff as it is with customers

A Welfare Department, which for many years had been the centre of service for employees in most factories, is, however, becoming more general in the retail world. Employers are gradually realising that such a department is of equal importance to the success of a business as any of the sales departments. It is obvious that a healthy staff is a happy staff and happy workers create an atmosphere which is felt by customers when entering the premises of such a firm.

THE FUNCTIONS OF WELFARE.

Many firms have a staff dining room which is often in the hands of the cook or woman who warms up food. Much can be done for the improvement of this by an educated woman with canteen experience. Inexpensive and wholesome meals can be served daintily and speedily with no cost to the management other than service.

A quiet rest room with comfortable chairs and the daily papers, within easy access to the dining room, enables employees to return to their counter much refreshed after a harassing morning. This attitude of mind will re-act on the customer, and create a sale, whereas the tired man or woman will serve in a "take it or leave it" manner.

The state of sanitation and staff cloak rooms often leaves much to be desired, because little

thought has been given to the subject owing to pressure of business. A trained welfare worker would free the management of such detail work, thus creating order and system out of possible chaos, and increase the comfort of employees considerably.

A First Aid room is essential. Those who have already instituted one are loud in their praise of its success. Not only is it the haven of rest for temporary incapacity to work, but immediate attention to cuts, scratches, burns and symptoms of illness often prevent long absence and epidemics. The loss of a skilled member of the staff at a busy period is indeed a loss to a firm.

The sick customer also finds much comfort when attended to in this room, and leaves as a life-long friend and a walking advertisement to the firm.

Sports clubs are usually organised by the welfare worker, who should only be the silent but moving spirit behind. If the committees for such activities are drawn from all departments, a family feeling creeps in and co-operation is the result.

Continued education is usually promoted and the attendance at evening classes made easy. Trade classes for Junior Staff are sometimes arranged in the Firm's time. A lending library can also be run without difficulty.

Thrift is encouraged and a savings scheme usually inaugurated.

MAKING THE APPOINTMENT.

A welfare worker needs selecting with care. She should be an educated woman with knowledge, if possible, of retail conditions and a student of psychology with a sense of humour.

She must understand all the different branches of her work very thoroughly and be an enthusiast. Tact and an even temper must be possessed, for disappointments are frequent in the best of schemes. The Industrial Welfare Society is in close touch with women who have trained for such positions.

The staff should feel they have a friend to whom they can bring even home difficulties, and all activities should pivot around her without the slightest sign of interference on her part.

Having made the appointment it is up to an employer to back the scheme and give it his whole hearted support. The "Governor's" interest in his workers is that little human touch that counts so much, and fosters the spirit of team work amongst the staff.

IN CONCLUSION.

The above is merely an outline of work that can be done, but those who have started in a small way have gradually developed their health schemes. Medical inspection before final engagement of staff, and a dental clinic, where a dentist visits once or twice a week, are two of the most important results of its growth.

A well known man in the drapery world, when addressing boys and girls from Public Schools on the subject of careers, once said:—"Business is worthy of the best brains in the country."

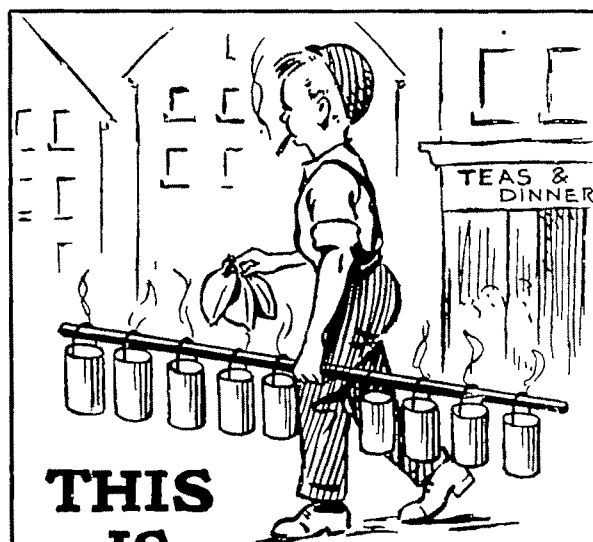
If business is to secure these brains, working conditions must be considered by the management, otherwise the second best will only be available.

London firms have realised the importance of this for some years and a few Provincial towns have followed in its wake. These firms usually have the choice of staff, for working conditions are known to be good and waiting list is therefore the result.

Good business, however, should not be the primary thought promoting the work. If the spirit of service to the staff and the desire to make the workers' lives worth living, is not present, the whole scheme is doomed to failure.

One of the predominant features of British export trade over the centuries has been the desire to serve—to be useful to the peoples of the earth—hence the solid worth-whileness of British overseas trade. Centuries ago Britain learnt the valuable slogan: "Business consists of selling goods that don't come back to customers who will."

WILLIAM G. FERN, in *Twelve Golden Keys To Success*



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Truth and Proof about Correspondence Tuition.

By J. D. C. MACKAY.

We are frequently consulted by readers and our advice sought in the selection of forms of training for higher positions. A considerable percentage of enquiries relate to Correspondence Schools. Our advice is always given impartially, based upon the actual needs of the reader. Latterly there has appeared a marked disposition to general criticism, which we are satisfied is undeserved by the best Schools, whatever faults may be inherent in those run without consideration for the Student. The Student indeed may be the one at fault, and in some cases, within our knowledge, certainly is. By way of meeting the criticism, we asked Mr. Mackay to justify the existence of the Schools, which he has kindly done in the present article. Other opinions will follow.—EDITOR.

CORRESPONDENCE Tuition Service as rendered by the leading British Schools is irrefutably one of the great educational forces of to-day.

H G Wells has said that the University of the future will be a University of Books and, in making this statement, Wells has really visualised a modern, well-organised Correspondence School.

I find that any doubt as to the efficiency of Correspondence Tuition comes from the older generation who do not realise the tremendous improvements made in the methods of Correspondence Tuition during the past fifteen years and from men who lack confidence in themselves.

I wish these men could read the United States Bureau of Education Report on Correspondence Study in Universities and Colleges. The United States is the home of Correspondence Tuition and the Americans have spent millions of dollars in organising efficient Correspondence Tuition Service. Here are a few extracts from the United States Government Report:—

(1) "Few educators realise the number of State-supported and privately endowed educational institutions of the highest type which have adopted correspondence study as one means of extending their educational service." The report follows on with a list of forty American Universities which have adopted Correspondence Tuition as part of their service.

(2) "The correspondence method has been tried in resident instruction with results which indicate that the ordinary methods of class instruction may in some degree be displaced profitably by further application of the correspondence method."

(3) "Diligent enquiry has failed to find a single instance where a competent conscientious

instructor has faithfully taught the same subject both in class and by correspondence who does not find words of commendation for correspondence study. Many testify to getting better results by correspondence teaching than in class instruction. Advanced students are competent witnesses and their testimony is overwhelmingly favourable."

(4) "In correspondence study each student receives continuous individual attention and assistance to meet his special needs throughout the course. It, therefore, serves not only as a practical resort when intensive study is required, but may in many cases be actually preferable to any other method within reach."

(5) "There is no limit to the thoroughness and extent of the work which may be demanded and secured by correspondence study, its methods permit the utmost that can be required. A class always holds some students back and drags others on too fast; no two minds are exactly alike or require exactly the same treatment. A class is often a Procrustes bed to which students cannot be adjusted without doing violence to individual needs and talents. Correspondence study, being strictly individual instruction, has for many students advantages of adaptability and efficiency."

(6) "The average of preparation, of earnestness and of intellectual capacity of correspondence students, when compared with the average college student in residence, is far higher."

The independent investigation and report of the United States Bureau of Education is a complete vindication of Correspondence Tuition as practised by the foremost American institutions and the standard of training given by the leading British Correspondence Schools is in every way

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as high as the American standard and, in some respects higher. If a British Government investigation of the range and effectiveness of Correspondence Tuition were instituted, it could only result in unstinted praise of the magnificent work being done by British Correspondence Schools. In fact, Government Departments have officially approved and adopted schemes of Correspondence Tuition.

The principal difference between oral and correspondence tuition is the medium of instruction. The correspondence student reads lectures instead of listening to them. The correspondence student receives lectures and illustrations prepared by the most eminent authorities whereas the oral student has generally to be content with something less reliable. The Correspondence Student retains his instruction in permanent form but the oral student has to rely on incomplete notes taken down during the lectures. Oral class training possesses no advantages which cannot be secured by correspondence tuition whilst the latter has many advantages of its own.

The correspondence student requires to exercise self-discipline to get started on his course but self-discipline is the greatest success quality a man could develop. The man who lacks self-discipline will be a failure in any oral class and the wastage as represented by progressively declining attendances at oral classes is very high.

The efficiency of any method of instruction may be quickly tested by results and, on this test, correspondence tuition has proved overwhelmingly superior to oral instruction. Approximately 90% of the candidates who pass professional examinations out with the Universities are trained by correspondence tuition and nearly all the honoursmen are correspondence students.

Efficient Correspondence Tuition Service for examination and vocational training demands a large staff of specialists, a big organisation and substantial capital, and a concern possessing this combination of resources can give greater satisfaction and obtain much better results for its students than any purely oral institution. The leading British Correspondence Schools are a great monument of service to the professions and business and, in their respective specialised spheres, have completely eclipsed oral institutions.

The man who places his faith in a front rank Correspondence School and gives conscientious co-operation can rely absolutely on obtaining the finest possible educational results. I believe that Correspondence Tuition will, in time and excepting where laboratory work is essential, supplant oral instruction for adults and thus become the greatest educational force.

The Association of Special Libraries and Information Bureaux.

WHERE to find specialised information of all kinds was the dominant note of the Fourth Conference of ASLIB (The Association of Special Libraries and Information Bureaux) that was held at Trinity College, Cambridge, during the week-end September 23rd-26th. Close on 200 attended representing organisations of every variety including the Empire Marketing Board, Ministry of Labour, Board of Trade, Institution of Mechanical Engineers, British Medical Association, Department of Scientific and Industrial Research and the British Electrical and Allied Manufacturers' Association. A number of foreign organisations were represented such as the International Institute of Intellectual Co-operation (Paris), the International Institute of Bibliography (Brussels), the International Labour Office (Geneva), American Library Association, the Special Libraries Associations both of America and Denmark; the Dutch Institute of Documentation and the International Commission of Decimal Classification (Deventer, Holland); there were many representatives of important industrial and commercial interests. Mr. Stephen Gaselee, Sir Horace Plunkett, Sir George Fordham and other well known individuals also participated.

Sectional Meetings were held devoted respectively to statements regarding Patent Classification submitted by the Offices of Great Britain, Germany and U.S.A.; to information bureaux problems; and to industrial questions. In this latter Section especially there were a number of papers of outstanding importance, notably those of Mr. A. E. Overton (Principal, Board of Trade). Major L. Urwick (Management Research Groups) spoke on "Rationalisation in Industry" and Mr. W. Wallace (Rowntree & Co., Ltd.) on "Business Forecasting." A most useful discussion took place in which Mr. Schwartz (London and Cambridge Economic Service) and Mr. W. Hubball ("Manchester Guardian Commercial") amongst others participated. The Conference concluded with a paper on "Standards of Book Selection in Science and Technology" by Sir Richard Gregory, D.Sc., F.Inst.P., F.R.A.S. (Editor of "Nature"). A large number of informal discussions were also held and the general opinion of those attending was that the Conference had proved most stimulating and useful.

ORGANISATION AND MANAGEMENT

The Importance of Statistics in Business Adminstration.

By JOHN CROYDON.

How shall the Business Man of to-day deal with the problems arising from the ever increasing intricacies of his job? The tendency is to rely upon the specialised work of others in order to devote more time to general policy. By a judicious use of statistics he will obtain a true perspective of his business and gauge the possibilities of profit-making opportunities. This is the first article of a series on this important phase of modern business. - EDITOR

IT is no exaggeration to say that not only are statistics of very great importance in the administration of a business to-day, but they are absolutely indispensable to really efficient business control under modern conditions. The tendency is more and more towards industrial amalgamation, and the further we travel along that road the greater will be our need that those in control of our great business organisations shall have at their disposal comprehensive and reliable statistics in relation to the many ramifications of the concerns for which they are responsible

STATISTICAL CONTROL, A SINE QUA NON.

The day is fast passing away when the proprietor or responsible head of a business is able personally to supervise on the spot the various transactions which are inseparable from the conduct of that business. He cannot hope to keep himself *au fait* with the many problems which arise from day to day—with the situations demanding executive action of a special character—unless arrangements have been made that he shall be furnished, automatically, with such information from every department and section of his business as shall enable him always, at all times, to have his finger upon the pulse of the business.

While statistical control of this nature is a *sine qua non* to the executive head of every large

business or combination, and the information thereby furnished invaluable to him; it is scarcely less necessary, also, to the proprietor of the smaller business. It is a rather deplorable statement to have to make, but *it is really appalling how little the average business man actually knows about his own business.*

A business associate whom I had repeatedly exhorted to cause investigations to be made in his business, in order that he might have information which would assist him in its control and development, but upon whom my admonitions had made but little impression, was recently seeking fresh capital for the expansion of his business.

He went to a mutual friend, who had fairly extensive interests in several other commercial enterprises. My friend approached him with considerable confidence, knowing that the proposition he was putting up to him was a reasonably good one. He offered him an interest in a business which was not only shewing a profit, but in which the turnover was increasing in a gratifying manner. Our financial friend sympathetically received the proposals which were put forward, but, before committing himself in any way, he said he wanted to ask a few leading questions about the business, an interest in which was being offered to him. The questions were these.

P17817

(1) In which department, or departments, of your business are you making the best percentage of profit?

(2) Are you showing a loss in any particular department?

(3) You say you have six outside representatives. Can you say what percentage on his own turnover each of these men is costing you?

(4) Do you know at what percentage on turnover your cost for handling goods works out in the respective departments?

(5) How many times per year are you turning your stock over in the individual departments?

(6) How many months credit, on the average, are you receiving from, and giving, your creditors and debtors respectively?

(7) Have you any means of telling, during the periods between the ordinary stocktaking, as to whether, or not, you are locking up too much capital in stock in any of the departments, or in any particular lines?

The owner of the business had to confess that he was not in possession of the necessary information to enable him to answer these questions in a satisfactory way. To which his friend responded that he would be only too pleased to give favourable consideration to his proposals upon being furnished with answers to the questions which he had propounded, questions, the ability to answer which, he considered vital to the efficient and adequate control and administration of a business of any pretensions at all to-day.

NO SERIOUS DISTURBANCE OF EXISTING METHODS NECESSARY.

This is no isolated case. One might go into the offices of the executives in thousands of ostensibly up-to-date businesses in the industrial centres of this great commercial country of ours, and find that this, and other information of a similar nature was not available. And yet much of the data asked for, and many more statistical details which are very desirable and necessary in efficient business administration, may be obtained without any very serious disturbance of existing methods in the average commercial office.

This leads me to another point to which consideration should be given. Many business men who have no knowledge of statistical technique, and who have no comprehension of the value that carefully compiled and reliable figures might be to them in their businesses, instinctively "freeze up" directly the word "statistics" is mentioned in their hearing. They imagine that what is being offered to them is either some American nostrum, or that it is something which is going

to cost them a lot of money, and may prove to be of very problematical value when they have got it! This is where a word of warning comes in most opportunely. It is of the first importance to be quite sure that one is not wasting money in getting out statistics which will be of very little practical value when they have been obtained. It is perfectly true that there are executives who waste a great deal of money on the preparation of figures of which they make but very little use. It is an easy matter to steer a sane, middle course, and to see to it that you are only getting information which you can use advantageously—information which is going to be of real practical value to you in the administration of your business. By adopting this course you will find that the return which you will get in money saved, and in knowledge which you, in your executive capacity, will be able to apply in money making, will compensate you many times over for any expenditure or re-organisation which may be involved in the process.

SAVING AND EARNING THOUSANDS OF POUNDS.

I write of that which I *know*, Investigations such as are being advocated here—statistics, the value of which is being stressed so strongly—have been the means of saving and of earning, in recent years, thousands of pounds in more than one business enterprise with which I have been associated.

Suppose we consider, for a moment, as a typical case, that of the man to whom reference has just been made, who had a business which was making a fairly satisfactory profit; but he did not know in which departments of that business the profit was being earned, nor did he know whether profits were being made in one department, only to be lost in another. And yet surely that is information which should be in the possession of every executive head of a business having different departments or branches. Otherwise, how can he be satisfied that where he is making say £7,500 a year profit, he might not be showing £10,000? It may be argued that if one is making a reasonably satisfactory profit, why not rest content with that? Why spend money, under such circumstances, in investigations which may, after all, reveal nothing of real value to you?

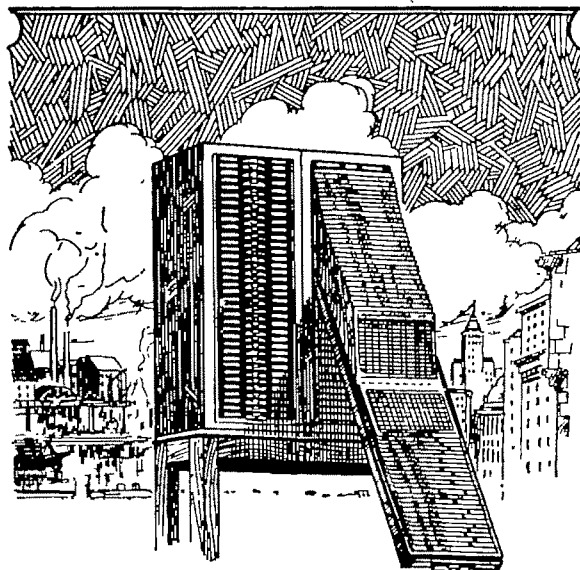
One obvious answer to that question is that as the managing director, or other executive, of a company or association of companies is really responsible to his colleagues, and to the other shareholders to show the best possible returns from the organisation under his control, it is his duty to leave no stone unturned in order to carry out that obligation to the full.

On the other hand, where the interests of only one individual, or at most of two, are involved, it may seem a more logical attitude to take up; until the day comes when it may appear that things are not going so satisfactorily. If investigations are then made it may be discovered that irreparable damage has been done in the interim. There is no value in burying one's head in the sand. Knowledge is power. And once the required information has been obtained, whatever it may reveal, you have the satisfaction of being able to say "I know."

Now, how may the information asked for in the first two questions quoted above most expeditiously be obtained? It should be a fairly easy matter, where it has been customary to take the stock of a business as a whole, to arrange, at the next stocktaking, that this shall be done by departments. I have found the loose-leaf principle for stocktaking to be by far the most convenient and flexible. Departmental covers, for holding the sheets, are provided, one or more for each department, according as to whether or not there are different sections in the various departments. The loose sheets may be ruled according to your special requirements. They should be in the custody of some responsible person. As they are given out they are numbered from one up in each section, a careful record being kept of the number of sheets issued in each section. After the stock has been taken the sheets are priced, and extended, each one being totalled separately. They are then summarised by the accountants, so that no one in the general office shall be in a position to ascertain the total value of stock. This stock, of course, will form the basis upon which the departmental accounts will be built up.

PURCHASES AND SALES.

We will now turn to the purchase records. I advocate the recording of bought invoices on individual foolscap sized cards. One card is started in January for every firm from whom purchases are being made. This is headed up with the name and address of the firm, and on it are entered the totals of all invoices received from them during that month; the cards being appropriately ruled with two, or more, departmental columns, in case goods for more than one department are being purchased from the same firm. The invoices are entered as soon as they are received, and then go out to the various departments for checking with the goods, and for passing. Another set of cards is started for the second month in the accounting period; the two sets being used alternatively during the year. The cards are totalled monthly, so that the one total, in the "total" column on the card, com-



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prises the whole of the purchases made from any particular firm in that month. These totals may be entered into a departmental ruled invoice book, and from there be posted to the bought ledger, or, if preferred, they may be posted from the cards direct to the ledger. The former is preferable, as, in any case, the totals have to be summarised in order to ascertain the grand total of monthly purchases. There are one or two outstanding advantages in this method of recording purchases. The invoices being entered as soon as they come in, there is a good check upon them, and, also, a record is quickly available of all purchases made. Then, if the monthly total on the card agrees with the total of the statement received from the manufacturer concerned it may be taken for granted that the individual items are right, thus the need for checking is obviated.

If individual cards are objected to, invoices may be retained until the end of each month. They may then be sorted alphabetically, and entered in invoice books, the totals being extended into the appropriate departmental columns, totalled monthly and posted into the ledger as before described.

As regards sales, these, as far as possible, will be kept departmentally by means of separate books for each department, and in cases where it is impossible to keep each department distinct, the sales will be analysed departmentally either when casting on the adding machine, or by whatever other method is adopted.

The monthly totals of both purchases and sales will afterwards be collated and summarised for the year, or for whatever other accounting period may be customary.

Apart from the closing stock, the only other item which will have to be taken into consideration, in order that departmental trading accounts may be prepared, is transfer of stock between departments, if such occurs. This may be entered in analysis books, appropriately ruled according to the number of departments to be dealt with, and will be summarised in precisely the same way as purchases and sales.

The closing stock will be departmentalised in the same way as the opening stock was treated. With these figures available you will be in a position to have departmental trading accounts prepared.

THE IMPORTANCE AND VALUE OF DEPARTMENTAL ACCOUNTS.

These will show you the amount of gross profit you are making in each department of your business. You will then have the percentage of gross profit to sales in each department worked out to the second decimal point. In all

probability the information now in your possession will furnish you with one or two surprises. It may be presumed that you have a general idea as to the percentage of gross profit which the respective departments should be making. It is very likely that in connection with one, or more, departments you will discover a considerable divergence between your estimate and the percentage shown in the accounts. I have known there to be as great a difference as ten per cent.

When you get to this stage in your investigations you will begin to appreciate the importance and the value of departmental accounts. It is very seldom that a gross loss is made in a department; but it very often happens that the percentage of gross profit is not large enough to cover the establishment charges. You will know what the average percentage of your overhead expenses is to your total sales, from your ordinary profit and loss accounts, and if it is found that the percentage of gross profits shown in any department or departments, is less than that average, it is quite possible—although not necessarily certain—that you are making a net loss in such departments. These are the sections of your business upon which you must first concentrate, in order that you may satisfy yourself as to whether or not they are remunerative.

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Office Organisation Up-to-date.

II.—THE CORRESPONDENCE DEPARTMENT (*Contd.*).

By FRANCIS J. LAMBERT, A.C.I.S., Cert.A.I.B.

This is the second article of a new series in which the author deals with practical and up-to-date methods of organising—or re-organising—the various sections of the office. The systems described may not always be orthodox but they are always sound, and they have been 'tried out' in actual experience with complete success.—ED.

IN the first article of the series, it was shewn that there is generally considerable scope for improvement in the organisation of the Correspondence Section of the office, and that where more than two typists are employed it is almost always possible to introduce some new methods which will increase efficiency and at the same time cut the costs.

The first step was stated to be the centralisation of the department, all "letter" typists being gathered together in one room, and the second step, which is the logical outcome of this, is the appointment of a supervisor. The installation of Dictaphones and the adoption of the Pooling System of distributing typing work were suggested as the third and fourth steps. The further stages in re-organisation will now be described.

(5) ENGAGE A DEPARTMENTAL JUNIOR.

This is a scientific age, and scientific office management has come to stay. Now science holds that the large thing is but the aggregate of small things, and that you cannot hope to alter the former unless you first give your attention to the latter.

So, in the office, it is a fatal mistake to despise the small things and to ignore the little leakages and defects, as if they made little or no difference to the net result. A case in point is the interruption in the work of typists when supplies or special enclosures have to be obtained from another department, cylinders have to be fetched from dictating executives and clean cylinders supplied to them, completed letters have to be taken up for signature, or enquiries have to be answered.

These may be small things, but they are not so small that they can be ignored, for in the aggregate they have an important effect upon the efficient working of the department. In a busy office the total amount of time wasted in

this way by skilled typists is more than sufficient to keep a junior occupied for the whole of her time. If the change is made, the saving, as a result of the difference between the wages of a junior and those of the skilled typists, may well reach £2 a week. This represents a saving of over £100 a year, which no business can afford to despise in these days of trade depression and low profits.

This is by no means all, however, for the harmful effect of the old system is not confined to the actual time lost. There is an equally important and even more harmful consequence in the interruption to the even flow of the typing, and particularly is this so where the dictaphones are in use. Every time a girl gets up she has to take off the headphones and stop her machine, and these have to be readjusted when she is ready to resume work. Further, she has then lost the thread of the sense of the letter and must read back to regain it, and she has also lost the exact place on the cylinder and must "listen back" to find it.

In any case, there is a definite disturbing effect which reduces output, just as a 'bus which has constantly to stop and to start again loses speed, and there is also a greatly increased probability of error.

Once a junior has been engaged and taught to answer the telephone, fetch dictated cylinders as they are ready, clean used cylinders on the Shaving Machine and supply the executives with them, take up letters for signature in batches as they are ready, obtain special enclosures, and generally make herself useful, the resultant gain to the smooth running of the department is immeasurable. Greatly increased efficiency and economy must necessarily be the consequence, and, still further, the discipline and general standard of the department will show a marked improvement.

HOW TO RE-ORGANISE YOUR CORRESPONDENCE DEPARTMENT.

1. CENTRALISE THE DEPARTMENT.
2. APPOINT A SUPERVISOR.
3. INSTAL DICTAPHONES.
4. ADOPT THE POOLING SYSTEM.
5. ENGAGE A DEPARTMENTAL JUNIOR.
6. RECORD AND ENCOURAGE OUTPUT.
7. CHECK RETURNS.
8. SYSTEMATISE THE WORK.
9. WATCH YOUR MACHINES.
10. PLAN THE DEPARTMENT.

This is a summary of the steps recommended in this and in the previous article for the re-organisation of the Correspondence Department.

It is a useful idea to give the junior routine typing, such as envelope addressing, to fill in spare moments, and there will be an added gain in that she will then be gradually getting into training in readiness for promotion later.

(6) RECORD AND ENCOURAGE OUTPUT.

This does not mean the adoption of elaborate card indexes and costly systems which defeat their own object and are an expense instead of an economy.

The simplest methods are almost always the best in office organisation, and all that is necessary in the case under consideration is for the supervisor to count each batch of letters before they are sent up for signature, and to record upon a piece of paper the number for each typist.

First thing the following morning the total figures for the previous day are entered in a suitably ruled exercise book, shewing the output of each typist and the day's total for the department. At the end of each week it is a simple matter to ascertain the output of each typist for the week, and to give it in a "Weekly" column together with the grand total for the department.

When a typist is absent from duty or is engaged upon other than letter work for a part of a day, the fact that the output does not represent a full day's work should be indicated by a mark or cross against the figures in the book.

It is a good idea where manuscript or draft copying, etc., is frequent, to allocate a definite typist each week to this and any other special

work, the remainder giving their whole time to letters. If each qualified typist takes this duty in turn, everyone gains experience of the different duties, work is more varied, and the output figures are more reliable as indications of the work done because only one typist each week is on part-time as far as letters are concerned.

This record is an extremely useful aid to the office manager who wishes to maintain a good standard of output yet is anxious to avoid unfairness. There is no room for argument or for suggestions of unfair treatment, if a typist is shewn figures which prove that her output over a period of time has been consistently lower than that of anyone else. Figures in fact, speak louder than words, and it will not be found necessary to say much in cases of this kind, but a noticeable improvement in that typist's output will follow very quickly.

This is not all, however. The far-seeing manager realises that the best and most effective method of improving output is rather by encouragement than by unnecessary criticism. He will, therefore, have a note of the letter output figures sent up to him each day, or each week as may seem most suitable, and after noting the work done, will return the slip to the supervisor duly initialled to indicate that it has been seen by him.

When a particularly good output has been accomplished by an individual, or by a department as a whole, a word of praise can be given either verbally or as a note on the slip. The resultant improvement in output, discipline and general morale is amazing.

CORRESPONDENCE DEPT.

LETTER OUTPUT.

1st June, 1927.

Miss Stourton	42
„ Grant	50
„ Robin	10x
„ Barton	46
„ James	60
„ Gregory	51
„ Knowlson	48
	307
B. SMITH,	
Supervisor.	

This is the slip shewing the letter output of individual typists which should be sent up to the office manager first thing every morning.

The knowledge that poor output is noted by those in authority and on the other hand that good work is realised and appreciated, is invariably a great stimulus to staff, a spirit of loyalty is developed, and in times of emergency when there are exceptional rushes of work it is possible to make a call for a special effort to which a staff so treated will invariably respond.

(7) CHECK "RETURNS."

Reference has already been made to the idea of recording the number of letters which the supervisor returns to each typist for correction. Where desired, this information may be entered in the output record book mentioned above, and it is a good plan to give the number of returns during the week, in a separate column in red ink, against the respective output figures for each typist.

This induces staff to take a greater pride in the accuracy of their work, prevents quality from being subordinated to mere quantity, and prevents the by no means inconsiderable wastage of letter heading, etc., which arises when letters have continually to be retyped.

It is a useful indication also of the accurate worker, and should always be considered *in conjunction with* the output figures, when the work of individual typists is in question, for the slightly slower but accurate worker is often more valuable in the long run than the mere speed merchant whose "returns" are numerous and whose work is untidy and badly displayed.

One further point should be mentioned in this connection. If a good output is to be maintained and the "work atmosphere" is to be kept up all the year round, it is important that there should be spare work which can be given to typists when the number of letters to be dictated falls below average. With a little forethought and arrangement, for instance, it is often possible to plan the circularising in connection with Sales Campaigns some time ahead. This provides envelope addressing which can be given to some of the typists during slack periods, the remainder of the staff being kept upon letters full time.

If this is taken in turn, the general output standard and capacity for work is not harmfully affected by the slack period, as would otherwise be the case, and at the same time the cost of additional staff for the circularising is saved.

(8) SYSTEMATISE THE WORK.

It will be found well worth while to spend a little time putting the work of the re-organised department on a systematic basis.

Clear instructions should be given as to the cleaning and supplying of cylinders. If there is no proper system, executives are constantly

**How long does it take
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held up while a cylinder is cleaned and brought up to them, the junior has to spend time upon this just when there are other important jobs requiring her attention, and further there is always the dreadful possibility of a cylinder being cleaned *before* the letters on it had been transcribed.

The latter experience once befell the writer, but it never recurred, for the painful necessity of having to re-dictate a set of long letters indicated the urgent need for some staff instructions on the point. The arrangements then made were that every cylinder received into the department must be placed immediately in the cabinet, and any cylinders partly transcribed must be returned thereto at the close of business or when a typist was taken off letters for any reason.

As cylinders were completed they were placed in the racks beneath the transcribing machines, and these racks were cleared by the junior first thing each morning. All such cylinders were immediately cleaned on the Shaving Machine.

On completing the cylinder cleaning in the morning, the junior was instructed to visit the room of every executive possessing a dictating machine and to ensure that he had a sufficient supply of new cylinders for the day's requirements. Once this system was running smoothly the dislocation caused by executives requiring cylinders during the day never arose, nor was there ever any confusion between used cylinders and those still to be transcribed.

Another little method which economises time, particularly on the part of busy executives, is to allot different signals on the internal telephone to those who usually have a considerable number of letters to dictate. For example, one buzz on the 'phone, may indicate that Mr. Jones has a cylinder ready, two buzzes that Mr. Thorne has one, three buzzes that Mr. Williams has a cylinder, and so on. The junior then goes direct to the room of the executive indicated, and neither the executive nor the department has to spend any time speaking through the telephone.

It will be found a useful idea to draw up a set of standing instructions regarding the working of the department and the duties of the junior. If a copy of these is typed and hung up in a conspicuous place, the risk of error will be reduced and the excuse, "I didn't know," will not be possible. This is particularly valuable in the case of the engagement and training of a new junior or of new staff.

(9) WATCH YOUR MACHINES.

As the size of the department grows, the number of typewriters, dictaphones, transcribing machines, etc., becomes quite considerable and a little systematic supervision will be well repaid.

It is a good plan to keep a simple card index, preferably on the Kardex or some similar visible system, a separate card being allotted to each machine, giving details of the date of purchase,

OFFICE MACHINES CARD INDEX.			
<i>Machine:</i> Royal Typewriter.		<i>No.:</i> 10/179238	
<i>Purchased:</i> 1st January, 1925.		<i>Price:</i> £30.	
Date.	Details.	Date.	Details.
1.1.25	Corres. Dept., Miss Barton	10.7.26	Overhaul.
9.5.25	Overhaul.	14.10.26	Tension adjusted. Type bars straightened.
15.8.25	To Miss Grant.		New platten required.
1.9.25	Overhaul.		
12.12.25	Repair. Escapement faulty. New margin release required.		
6.6.26	To Invoice Dept., Miss Bone		
Royal Typewriter.		Corres. Dept	10/179238

A specimen office machine Index Card, shewing details inserted for a Royal typewriter.

the price, the guarantee (if any) and the person using it. A space is provided for a record of the various overhauls and repairs which are made from time to time and also any changes in the typist or departments using it.

There are many advantages of this scheme. When the machines of a certain kind or make are overhauled by a visiting mechanic a note of the repairs effected is made on the respective cards. This information is useful later in checking the account for the overhaul. Again, the record will immediately bring to light any machine which through an inherent defect or hard usage, is requiring more repairs and adjustments than the average. The record also enables competing makes of machines to be compared, over a period of time, as to wearing qualities, cost of repair, etc.

The index is very useful when it becomes necessary to consider the sale or exchange of old machines in order to replace them by new and up-to-date models. The date of purchase, the use, and so forth is all set forth at a glance by the respective cards.

It is a good thing to arrange for all machines to be overhauled by a skilled mechanic at regular intervals, for by this means they are kept in efficient running order and it is often possible to remedy incipient faults which would otherwise give more serious trouble later.

Finally, the staff should be trained in the cleaning and care of the machines under their charge, for if this is done regularly their effective life can be considerably extended.

(10) PLAN THE DEPARTMENT.

Strictly speaking, the correct planning of the department should be given as the first step in the re-organisation, not as the last. The reverse order has been adopted, however, because the best method of planning the room cannot be seen until the other steps in the re-organisation have been stated and explained.

One of the chief points is, of course, to arrange the typists' desks so that the maximum light is available for each. To expect a typist to work in a dim light is not only unfair to her, but it is also productive of bad work and poor output.

The exact arrangement of the room depends entirely upon individual circumstances, but it is important that desks should be so placed that the electric wires connecting the transcribing machines with the wall plugs will not have to be stepped over or otherwise interfered with. It is an easy matter to put a foot upon an electric wire, but the resultant fuse takes quite a lot of time to mend.

The supervisor's table should be placed close

The BEST on TEST.

Columbia

RIBBONS AND CARBONS.



LET YOUR TYPIST DECIDE !

From Dealers and Stationers, or

**COLUMBIA RIBBON & CARBON
MANUFACTURING CO., Ltd.,**

Classic House, 22 Bush Lane, London, E.C.4.

to the internal telephone, in such a position that a clear view of each typist and also of the cabinet can be obtained. The cabinet should occupy a central position so that it can easily be reached by everyone, and it is also an advantage if it faces the door so that the manager can see the position of the work immediately he enters the room.

Typists' desks and chairs and the small cupboards for supplies are a great convenience and should always be used in preference to the makeshift arrangements one sometimes sees. Having spent so much on a machine it is surely worth spending a little on a suitable desk for it.

This concludes the chief steps which should be taken in order to re-organise a Correspondence Department on economical, efficient and up-to-date lines. If the suggestions which have been made are adapted to individual circumstances and are then applied energetically and systematically the re-organisation will be a great success, and one will wonder how one allowed the old inefficient methods to remain as long as they did.

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TRANSPORT.

By C. R. TAYLOR, F.S.S., F.C.I.

IMPROVED trade follows improved transportation, but really efficient transport only becomes possible as road construction proceeds. To-day every progressive nation in the world is actively engaged in constructing new, and improving existing, highways. Roads are recognised as the arteries through which flows the stream of prosperity, developed by motor transport.

Truly Churchill's views regarding road development contrast strangely with those of other nations'. From all quarters of the globe there is an insistent demand for highways—a demand born of appreciation that only thus can world development be accomplished.

Measured in terms of pounds and shillings, highways constitute the largest single peace-time endeavour facing the nations, and it is one of the few problems which are being tackled with good results.

The roads of the Roman Empire furnish the best examples of the importance of roads to a nation and upon this excellent basis many of the roads in Spain, France, Italy, Greece and Macedonia are built. For solidity of construction the Roman roads have never yet been equalled, many of them still remaining in good condition and forming an ideal foundation for a modern macadam or concrete road surface.

REMARKABLE ENTERPRISE IN SOUTH AMERICA.

Latin America is leading the way in modern road construction. Mexico's great highway system is planned to connect all parts of the country by excellent roads devoted entirely to motor vehicles. The Mexico-Laredo highway will be about 1,250 miles in length—the first link of the road extending some 58 miles from the capital to the city of Puebla is now open to traffic, while work on the road from Mexico City to Acapulco is being rapidly pushed on with and its total length when finished will be about 280 miles, much of which is through mountainous country. Macadam and concrete is being largely used, as well as the more humble "dirt" dressing.

Chile, too, is at work on ambitious lines, despite the fact that this country has already the reputation of being better equipped with good roads than most of the South American States. A road law recently came into operation arrang-

ing for special taxes to be levied for the making and upkeep of highways. There are, at present, some 7,000 miles of roads in first-class condition and under the new law 6,000 miles will be added. 40,000,000 pesos will be devoted to construction and improvement during the current year, beside considerable sums provided by local authorities. The Road Board of Santiago includes a motor highway from the city of Santiago via Casablanca to Valparaiso in its programme, while another important motor road is now being constructed from Punta Arenas for 200 miles through the sheep farming district of Magallanes.

The Peruvian Republic has already completed some 4,000 miles of highways and is now at work on opening up 6,000 additional miles to motor traffic, considerable activity has been shown in road building in Venezuela. At the beginning of last year there were only about 2,000 miles of highways in this republic, which has an area of 4,000,000 square miles, but by the end of the present year, nearly another 1,600 miles will have been added, all of which will be suitable for automobiles.

THE ALL-BRITISH CONTINENT.

Australia's highway programme includes the improvement of existing roads and the extensive building of new ones. Under the Federal road scheme, the Commonwealth provides a little more than one-half of the amount to be expended and each State the remainder. The total expenditure is reported to be about £20,000,000.

Victoria has allotted approximately £2,000,000 for the construction of new main roads—mostly constructed of concrete on a rock foundation—which are to be completed this year. The plan also includes six first-class macadamized roads, covering a radius of 70 miles from Melbourne. Beyond the proposed terminal points, the highways will continue for a further 100 to 150 miles as second-class roads, and will terminate on the S. Australian and New South Wales borders.

The Government of Western Australia has approved a scheme for constructing three new main arteries during the next five years and work has already started. In addition, some 600 miles of trunk road and 3,000 miles of developmental road will be made.

Even Tasmania has decided to construct over 500 miles of arterial road between Hobart and Launceston.

Salesmanship and the Book Trade.

A Critical Reply.

By "LIBRARO."

**This reply is the result of practical observation during many years
direct contact with both retailer and buyer.**

THE article under the above title in the August issue of this magazine certainly opens up for discussion a grievance which the general book buyer has against the retail bookseller. One, however, is apt to be too critical or condemnatory, but constructive criticism should be encouraged. As in most instances of dissatisfaction there is a cause producing the effect.

This leads us once again to bring into the subject our old friend "Psychology." There are, undoubtedly, two main phases of this grievance. First, inefficiency on the part of the retailer, and second, the dormant attitude of the buyer. The answer to the second point is found automatically when the first has been met, although, unless the buyer raises his voice and points out a presumably bad service, how can that service be otherwise improved or rectified?

The writer of the above cited article would perhaps have been more correct if, instead of asking "What is the function of the 'middleman' in trade?" he set the query: "What service does the retailer give to the buyer?" In every trade "service" must be the motive power and its application should carefully be studied.

The average retailer, it is stated (and this applies very particularly to the bookseller), lacks technical knowledge and therefore the efficiency. No doubt some of the more ardent readers of "B.O.M." have already experienced this defect when going to their local bookshops for some special financial or commercial book, or even when enquiring for some advice as to which book would be the most suitable for a certain line of study. Reading books is one of the necessities of life; so much depends upon it, our progress surely uses it as a foundation, but nowadays it is actually a much neglected side of trade.

Only during the last few months has it been

fully recognised by the association concerned with the interests of the book trade, that apparently much has still to be done to further the activities of the bookseller in his effort to serve the public—one of the greatest collective buying propositions existing to-day.

Analysing more carefully the case for the bookseller, we find his difficulty of inefficiency is partly attributable to the vast number of books which are now published in comparison with the much lesser number issued some few years ago, and also to the fact that he cannot keep pace either with the number of new editions or even suitable accommodation for stocking them. Another point not to be overlooked is, of course, that years of experience are necessary.

It cannot always be expected that a young assistant should know or give advice on a book by "this" or "that" author, neither should it be expected of him to know the right book unless the name of the writer is furnished. But even these deficiencies can be made good if recourse be made to the very up-to-date reference catalogues which are now regularly issued.

Ignoring for the present books on fiction or the lighter vein of reading and taking the educational side, the assistant must acquire a knowledge—and a somewhat technical one at that—taking years of practical training, before he can claim to possess any kind of efficiency as we naturally understand the term. His knowledge must cover a very wide field—from Advertising to Zoology—a pocket edition, as it were, of the Encyclopedia Britannica. In a large shop he should not only be able to recommend a suitable title when asked to give advice, but also where he can quickly locate the volume and if it is not carried in stock, where he can obtain and how long in doing so.

This is real service to the customer and the more efficient this service is made the greater

will be the sales and incidentally increase his "clientele." Is this not a positive answer to the query about writers "not being able to make fortunes"?

Some of the more important publishers have realised this difficulty for some long time and have consequently turned their attention to dealing direct with the public through the mail order channels and about which something more will be said in a forthcoming article.

The book buying public should also remember that it can considerably help the bookseller by carefully explaining its requirements—co-operation is needed every time.

It can be imagined how it momentarily places the bookseller in a quandary to be asked to supply a good book on Milling. Unless he knows what industry is referred to, how can he be expected to supply the right book? In this instance it should be stated whether it is the mining, metal trades or agricultural industry, all of which have textbooks on this subject. Just recently an instance came under the observance of the writer where a book on "Waterproofing" was called for. The book mailed forward concerned the concrete industry, that is the waterproofing of the foundations of structures, but the volume actually wanted was one on the waterproofing of cloth. Needless to say, the volume was returned as being unsuitable. Place yourself in the position of the book assistant if you are asked for a book on engraving. What would you supply? The printing and metal trades are both represented in this enquiry. Many other instances could be quoted illustrating how the public could help the retailer.

Nevertheless, the bookseller must "wake up" and realise his duty to the public in a service which should be classified as one of national importance.

That the Australian bookseller is fully alive to his calling can be substantiated. The Indian and South African markets are also well away, going to prove the fact that although working under extreme difficulties of time and distance from the Mother Country, the interests of the customer can be effectively catered for.

"Adventures in Administration."

THE title of this book is happily chosen for in reality all administration is adventurous and only appeals to the adventurous. It is a sorry commentary on human character and ability that the adventurous spirit is the prerogative of the minority only.

The author has had twenty-five years administrative experience and very obviously has wide and varied interests. He deals in an extremely interesting manner with subjects of national, colonial and international importance. They range from central banking to public health and from industrial standardisation and office economics to the use of museums. The business man would do well to read this book for the broadness of vision which one may hope it will inspire. The essays do something to show that business qualities are very necessary in spheres other than those of a strictly business kind.

The author describes an administrator as a man who levies toll on the whole field of knowledge. He is the practical exponent of ideas Marshall in his monumental work on Industry and Trade says that the chief requisites of the head of a large business and of its chief officials are, judgment, prudence, enterprise, and fortitude in undertaking and carrying risks; an alert acquaintance with appropriate technique and some power of initiating advance, a high power of organisation in which system plays a great part but "always as a servant, never as a master"; a power of reading character in subordinates, together with tact, trust and sympathy in handling them; prompt diligence in assigning to each the highest work of which he is capable, or can be made capable within a moderate time.

In a letter from Sir E. Bulwer (afterwards first Lord) Lytton, when Secretary of State to the Colonies, to the first Governor of Queensland it is stated: "Enforce civility upon all minor officials. Courtesy is a duty which all public servants owe to the humblest member of the Public." If this statement could be framed and prominently displayed in certain of the establishments of a Government trading department the loss of revenue due to the encroachment on a space which could be let for advertising would be well worth while.

When we read of the great work done for the health of the world by the Rockefeller Foundation we can be grateful that there are men who can still appreciate the right use of wealth. A study of the history of the Rockefeller Foundation would well repay those who make a universal onslaught on the "bloated capitalist" for a cold douche of hard facts rapidly reduces the temperature of hot air emotion.

ERRATUM.

September issue; page 775; col 2, line 15:—"It can appear in one or three positions," should read: "It can appear in one of three positions."

* Economics for the Business Man.

By ARTHUR WARD BASSETT.

THERE are two ways of treating a river : one is to let it find its own easiest way to the sea, and the other to put the engineer and his navvies to work upon it. Similarly, there are two ways of treating trade : the first is to let the natural pull of demand against supply decide its broad conditions, and the second to bring the skill of commercial science to bear upon its course.

Many will tell us, as they have done in America during the last few months, that a big river can be over-engineered ; and the tragedy of the Mississippi is instanced as evidence of too much scientific interference with natural law. Equally it is possible to find some really intriguing problems in considering whether " big business," organised with the thoroughness and on the gigantic lines of the trust, is a blessing or a curse to humanity as a whole.

But while we may have pardonable doubt about the plan that alters a lake level ; we none of us hesitate to approve the well built riverside dock. We may dislike the trust, but must all approve good system and organisation in the detail of trade.

AN INDIVIDUALIST.

And that is what causes the opinion that Professor John D. Black, the lecturer on Economics to the University of Minnesota, has performed a really helpful service to the commercial world in his book " Production Economics." Professor Black is a man with the outlook of the big engineer, but he keeps his eye on the important little things of commerce in a way that makes his book as valuable to the clerk and the small trader as it is to the head of a gigantic business.

As a rule the University professor, writing in commerce, is a good deal like a mathematician in a jam factory. He may construct a surd equation from the abstracts of business done, but if the trade is falling off his final value of " X " can easily be the square root of a minus quantity.

But Mr. Black is not like this. He states his economics from principles and from historic developments, with very pleasing clearness and orthodoxy. But he trudges around the office and factory all the time and his sane opinions and modest manner appear to credit business men with having their wits about them and not being mere messers in a huge tangle of commercial absurdities.

THE SCIENCE OF REALISM.

The book is a really splendid endeavour to make economics useful to the commercial world. Whether the endeavour succeeds or not, must entirely depend upon the effect on the minds of the readers.

The real difficulty he suffers from is the fact that universal truth is true everywhere, and a sound commercial law is often as easily discovered by working up from the stool of the junior clerk as by working down from the university chair.

Business men, taken in the mass, are sane and level-headed, and the aggregate of their movements are unconscious procedure along the most approved economic lines. When the professor discovers with curves and diagrams that there is a marginal point of utility which affects demand, the firm's travellers can express almost the same profound truth by declaring " the trade is well stocked up till the autumn."

Commerce has always been scientific, and its economic soundness usually proceeds from the wholesome fact, that, in business there is no choice between the laws of economics and the laws of the bankruptcy court. A merchant may know nothing about Mill and Ricardo, but if he offends against the vital principles they elucidate he will almost certainly drift along to Carey Street.

" AGENTS OF RECONSTRUCTION."

Commerce is the application of economic law and, whether by accident or design, whether by commonsense or experiment, the traders who find out in the busy school of experience what grave professors state in magnificent English, are the men who build soundly, and unite in that splendid service that provides employment, food and clothing and even luxuries for the multitudes.

Both economists and business men realise that nothing is ideal in this world and their efforts towards efficiency are a natural response to the longing of hundreds of thousands for a better share of the world's wealth. The economist influenced by broad principles and the business man by the acid test : " does it pay," really approach the heart of the problem with equal sanity. When the world loses its head and flings away the savings of a century in a mad orgy of war, it is easy to blame resulting poverty on

both to say that commerce is selfish and economists are dreamers, but none the less the real agent of reconstruction and prosperity must ever be industry and enterprise on economic lines

To deal justly with a book of over a quarter of a million words in a brief article is difficult. To pick and choose selections is invidious when there is scarcely a page that is not worth careful reading and re-reading.

RATIO OF ADVANTAGE.

One chapter, of peculiar interest because of its human character appeal, is that in which Professor Black deals with "the principle of comparative advantage" In one of its aspects the principle is thus stated:—

"Each person tends to do that work in which his ratio of advantage is greatest as compared with other persons, or his ratio of disadvantage is least, up to the point when his services are needed for work which he does less well, in order to meet the demand for this work at the prices that will come to prevail under such circumstances." (Page 137)

This definition is illustrated by taking imaginary cases of five persons, A, B, C, D and E. All these have differing abilities and a certain percentage of capacity for different classes of work He presents the case in this form:

OCCUPATION	PERSONS				
	A	B	C	D	E
Factory administration work	40	20	30	20	10
Department store work	25	35	25	30	15
Accounting department work	30	10	10	10	20
Selling bonds	20	50	30	40	30
Newspaper writing	10	25	20	50	40
Fiction writing	3	10	5	100	50
Teaching	20	15	15	15	30
Coaching athletics	5	5	40	5	20
Baseball	2	5	60	2	10

He points out that these men may not know the precise points where their chief abilities lie, though they may suspect them. When they do find out, he says, "A will be devoting himself to factory administration work, B to selling bonds, C to professional baseball, and D and E to fiction writing—if *their services are all needed for these particular lines of work*. There may, for example, be an over-abundance of persons who can write a fair quality of fiction, or sell bonds with fair success. If so E may give up fiction writing, leaving the field to D and take to newspaper writing instead. It is apparent that D's advantage over E is much greater in fiction writing than in newspaper writing. If there are too many persons doing newspaper writing then E will take up teaching. If there are too many baseball players C will find himself coaching athletes or even selling bonds."

Dealing with another aspect of the principle,

Professor Black applies the same method to the production of material and commodities, in an exceedingly suggestive and readable manner

CO-ORDINATION PRINCIPLES.

Business men will find the 5th Section of the book of special interest as it deals with the highly important subject of the co-ordination of production. The inter-relations of financial and marketing organisation are dealt with in a lucid and informing manner.

The last two chapters of this section, which deal with maladjustments and their control, restate some of the problems of combination, co-operation and large scale business in a very fair and interesting manner. At a time when our whole nation is being forced to regard the success or failure of the coal mine industry as national in consequences, the lucid manner in which maladjustments are dealt with should be useful to every citizen.

The three last chapters of the book are full of interest to those who are attracted by social and public problems. They deal with social economy and the economy of cities and nations, under the general title of "The Social Organisation of Production". One is tempted to suggest to the publishers that these chapters would form an excellent little volume in themselves as they deal with a vast subject in a constructive and helpful manner.

NATIONS MADE FOR MAN, NOT MAN FOR NATIONS.

They are, however, quite in their right place as the conclusion of this volume. There is a distinct relation between private and public economics; between the world of trade and the social fabric; between the privately-owned enterprise and the national welfare. The author's own words on this subject are absolutely sound.

"It is customary for economists to separate the individual from the social point of view, and even the social from the 'national' point of view. Many universities have virtually separate departments of 'private economics' and 'national economics.' The author does not believe in this complete separation. Clarity of thinking, it is true, requires that three points of view be kept separately in mind; but soundness of thinking surely requires that no one of them be lost sight of anywhere in economic analysis."

His concluding words express his public outlook. "The nation is set up in too many peoples' minds as an end in itself. Nations exist for the good of mankind, not man for the preservation of the nation."

* "Production Economics," by John D. Black, Ph.D.; George Harrap & Co., Ltd. 18/- net.

SALES PROMOTION.

The Modern Shop Interior.

Some Points on the Equipment and Lay-out of the Present-day
Retail Shop and Department Store.

By A. EDWARD HAMMOND.

(Author of "Shopfittings and Display.")

THE retail trader of to-day realises that it is little use investing in a smart and up-to-date shop-front, or to make a feature of attractive displays in his windows, unless he intends to make the remaining parts of his premises correspond in both modernity and attractiveness. The value of a modern shop-front and a pleasing window display becomes considerably lessened, if the interior is not so arranged that it will carry on the work which they have commenced. If the exterior gives a misleading impression of the establishment, the expense and trouble involved in its erection is literally thrown away.

"ATMOSPHERE."

It is imperative that the interior of the modern shop shall have a bright and congenial "atmosphere." The customer's first impression does more than anything else to make or mar the success of a trader's future business relations with each individual customer. The prime factors in the creation of a right "atmosphere" are the fittings and equipment and general layout. The former should be modern, and in proportion to the size and general appearance of the shop, and of a type which is most suitable for the particular class of trade for which the trader caters, while the lay-out and general arrangement of the interior should be carried out with a view to the maximum degree of comfort and convenience for customers, combined with easy facilities for their inspection of the stock.

INVESTMENT OR EXPENSE?

A mistake which many traders have made in the past in connection with shop fittings and equipment is that they have not regarded them

so much as an investment as an expense. They were prone at one time to consider them from the immediate point of view of the purchase price. A large proportion of the smaller traders especially did not realise that the more modern and attractive their shop fittings were, the better would be the class of customer which they would attract, and the more remunerative the charges which they would be able to make.

Too many shop-keepers were content to jog along year after year with the same old-style fittings that were good enough when they first opened shop; but which, from the present-day standpoint, were hopelessly and absolutely out-of-date. Even to-day, one occasionally finds in the shops of some the less enterprising traders—and sometimes in the establishments of those who are out for a good class of customer—old-fashioned display fittings, which are badly the worse for wear, and inconveniently arranged equipment which can do little towards increasing sales. This is a short-sighted policy, for it is hopeless to try and persuade a customer to buy more than he or she originally intended to purchase, if the goods are not attractively arranged.

TABLES OF THE MONEY-CHANGERS.

The practice in all retail establishments to-day is to have the maximum amount of stock on view. This, in addition to saving time in recording the movements of stock, also facilitates service. Customers are able to see at a glance what they require, and assistants merely have to remove drawers or trays from the counters or wall-fittings.

Modern counters combine the purposes of serving units, display cases, and storage fittings,

and, for this reason, their advantages over the old-style, plain, hollow, wooden counters hardly need any emphasising. The latter type could certainly be dressed out at intervals by the use of suitable display stands, but, apart from that, its uses started and finished with the service of the customer. It was merely a useful medium for the demonstration and the wrapping-up of the actual goods sold, and possibly for the passing over of the money in payment.

For all intents and purposes, counters now fulfil the same function as showcases; but with the additional advantage that they serve a more utilitarian purpose as well. The customer who approaches the counter with a definite purchase in mind can hardly fail to be attracted by the range of articles displayed underneath the glass, and the chances are that he will see other articles which make an appeal to him, and will buy while he is in the mood.

WINDOW ATTRACTION AND AFTER.

By the employment of the plate-glass counter, the trader is carrying on in the shop the good work commenced by the window. A customer may see something in the window which appeals to her; but, perhaps by the time she has entered the shop and made her purchase she will have forgotten the special line in the window which she seriously thought of buying as well. For this reason, it has been found advisable in some measure to link up the counter display with the goods exhibited in the window, and to show duplicates of some of those which are more prominently displayed to passers-by.

The counters which are most suitable for the average trader afford facilities for display in front and storage at the back. There are various types of these—the most popular being fitted inside with one plate-glass shelf for display purposes at the top, and with three or four rows



Fig. 1.
Messrs. Peaseon's, Piccadilly.

Photograph by courtesy of Messrs. Samuel Haskins & Bros., Ltd.

of shaped oak trays at the bottom to draw out from the back. The upper portion behind the shelf space being enclosed by clear plate-glass sliding doors or mirror-lined backs, according to desire.

Then, as far as wall-fittings are concerned, the latest types of these are fitted with pull-out trays, shaped according to the class of stock which they are to hold, and rendered entirely dust-proof by the use of disappearing glass flaps. These flaps pull out from the bottom, and, instead of projecting as formerly, now totally disappear into the top of the section which they cover.

FIG. 1, which shows a corner of Messrs. Peaston's new premises in Piccadilly, gives an excellent idea of the display and service facilities afforded by modern counters and wall-fittings. This shop was fitted throughout by Messrs. Samuel Haskins & Bros., Ltd., Walthamstow, who kindly loaned the illustration.

In spite of the extensive use of glass counters and glass-fronted wall-fittings, there are many positions in the modern retail shop where a showcase can be introduced with advantage. In footwear establishments, for example, it is a frequent custom to place a showcase immediately in front of the shop door. This, in addition to providing an attractive setting for the entrance to the shop, makes it possible for customers who have not seen the exact type of shoe they require in the window, to continue their inspection as they enter the shop.

Often passers-by will scan the windows of a shop, and, not seeing what they require, will pass on. A door-case impels them to extend their inspection, and, having crossed the shop threshold, they are far more likely to enter to make enquiries for whatever style they are in need, and eventually will probably make a purchase.

The showcase shown in FIG. 2 is excellently adapted for the display of shoes in this position,

or for use in the centre of the shop. It is constructed of oak, bow-fronted with a dome top, and was constructed by Messrs. William Mason & Son, Ltd., 133, Woodhouse Lane, Leeds, for the Grainger Street branch of the Saxone Shoe Co. at Newcastle-on-Tyne.

FIG. 3 is an excellent example of a modern drapery interior. In this case, it will be noticed that the counters are dressed out in the same way as showcases. Advantage is also taken of the space on the top of the wall-fittings for displaying specimens of the underwear to be obtained in the department. These fittings were carried out by Messrs. E. Pollard & Co., Ltd., Clerkenwell, London, E.C. 1.

FIG. 4 is another interior fitted out on essentially modern lines. The maximum amount of space is given up to display, and yet there is no impression of overcrowding. This shop was completely fitted out by Messrs. E. Pollard & Co., Ltd., Clerkenwell, London, E.C. 1.

MOVABLE UNIT FITTINGS.

For those retailers who do not wish to go in for permanent wall fixtures, unit fittings are an excellent investment. In fact, they are rapidly replacing all classes of permanent fixtures, and suitable unit fittings are now available for practically every class of trade.

These fittings are of an elastic nature, and, for the small trader, the valuable point about them is that he can commence with one

unit, which can be added to as his capital permits, or as his increased stock makes it necessary.

In addition to wall fittings, any other type of fitting can be built up on this principle, and if the retailer wishes to re-arrange his shop the whole of the fittings can be taken down and assembled in a very short space of time, or, if occasion demands, one section can be transferred from one part of the shop to another, without upsetting the whole appearance of the shop interior. The principle of easily removable

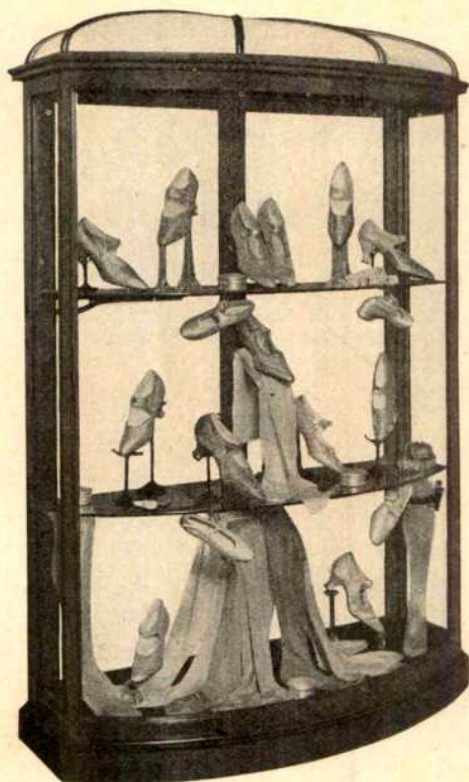


Fig. 2.

Block by courtesy of Messrs. W. Mason & Son, Ltd., Leeds.

Fig. 3.



Fig. 4.

fittings is becoming very popular in all classes of shops, and the retailer will find that these unit fittings present many advantages over the permanent type of fixture, for each unit is complete in itself, or can be made the component part of an entire interior fitting. The units are simply placed on top of each other, and, by the addition of side framings, a cornice on top, and pilasters which conceal all joints, combine to form a complete fitting.

Movable panel ends are supplied with some units in either oak or mahogany, surmounted by a moulded cornice which matches the fitting, and, for the base, a moulded plinth with necessary slot fittings for attaching to unit is supplied. For the sides, moulded pilasters with curved trusses and spring clips for attaching are also furnished.

When the complete fitting is built up, it has no traces of joins or sections, and to all appearances is a solid fixture. By means of these detachable pilasters or panel ends, the whole fitting may be extended to whatever length is desired, and always retains its finished and complete appearance.

Attractive and economic lay-out of the shop interior need not necessarily be confined to the department store or the large shop. It is possible for the small trader to apply equally modern and efficient principles.

"There is an important economic objection to placing a large quantity of merchandise in the shop windows. Nearly every class of merchandise suffers from exposure in the windows, and in many cases goods so exposed become unsaleable. This being the case, the shopkeeper who uses merchandise sparingly in dressing his windows can well afford to spend a little more on his display material. The amount he saves through not wasting so much merchandise will cover the costs of backgrounds, show cards, models, and other furnishings.

Show cards should be used when they serve a useful purpose in describing an article, quoting its price, or stating the business policies of the shop. There is little attraction in the stereotyped phrases, "Finest quality," "Best selected," "Latest style," "Our speciality," "Cheap," and so on, because cards bearing these words are used indiscriminately by the smaller shopkeepers in their misguided efforts to brighten their windows.

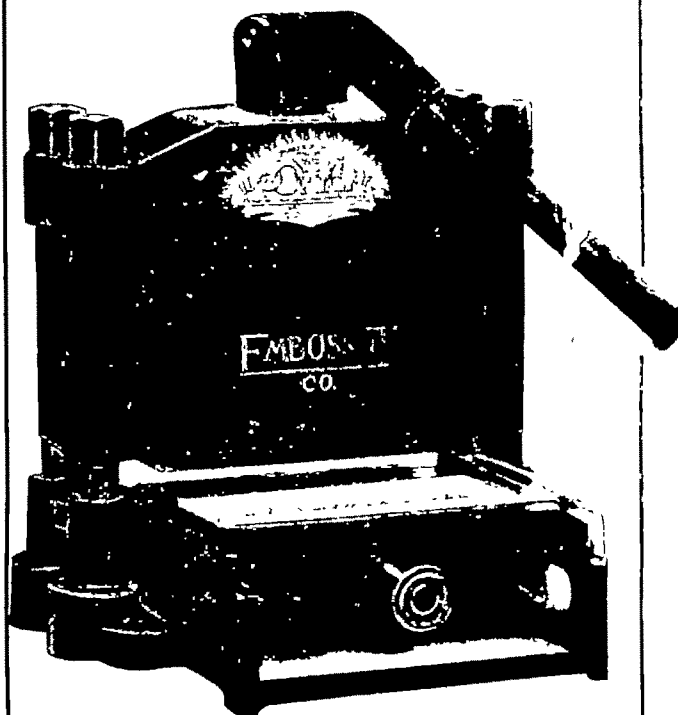
In order to use his own original ideas or the slogans of his suppliers, the shop manager should have his show cards specially written for him on good quality cards bearing the house mark of the shop or a distinctive border"—Cunliffe L. Bolling in "Sales Management" (Pitman).

SAVE 80% OF SHOWCARD BILLS

Install the Patent "ALLPOWERFUL" SHOWCARD MACHINE

The most powerful single movement machine yet invented. Simple action. A child can work it.

HAS ONLY TO BE SEEN TO BE
APPRECIATED.



Takes a card 12½ ins. in width by any length

Many Satisfied Users.

Write or call.—

THE EMBOS-IT CO., LTD.,

26, ST. BRIDE STREET, LONDON, E.C.4.

Some Aspects of Salesmanship.

II.—The Personal Touch.

By G. CULVER BUDD.

It is not so important perhaps to a Civil Servant; it is believed to be uncommon to booking clerks and serjeant-majors. Amongst bargees and people of the river, it is sometimes entirely absent.

To the man on the road it will mean his ultimate success or failure; for summed up briefly, it is a mixture of good manners, and an urgent desire to please; and it is little else, no matter what psychologists may say to the contrary. Remember, a salesman has got to meet all sorts of men and even women, both when he is fresh, as in the morning, and also when he is tired mentally and physically. He must have a patience and resource equal to that of Tallyrand, and a heart, that for size, would send shivers down the spine of any qualified practitioner. Because Jones, of Beckenham, has a penchant for ludo, or Robinson, of Hackney, a love for snapdragon, he must never retort that they are games fit only for congenital idiots. It has been recorded of a weary traveller, that he once told a customer, fishing was a foolish waste of time. But I have got orders for praising its wisdom, although all I ever caught was a gudgeon, and I was afraid to touch it when I had.

Personality again, does not depend on physical beauty. A man may possess the alluring beauty of a Greek god and fail entirely, yet be as ugly as an Orang-Outang, and take many an order. Appearance does count however, especially in so far as clothes are concerned. Attire may not make a man, but it covers an uncommonly large part of his anatomy. Diogenes hid his nakedness in a barrel, but he was a philosopher and he lived in an age when sack-cloth and ashes were fashionable as funeral wear. Apparel indicates in no small measure, the characteristics, moods, peculiarities and mental outlook, of a man. We all like to talk to those who are well dressed, and to be properly habited is to be at ease. We all feel the effect of our appearance, unless our temperament is such, that we can don a pair of draughtboard trousers and a yellow tie and yet venture abroad.

Like the rooms we live in, clothes do reflect our personality.

How important attitude can be, was instanced in the case of a man who had been attached to

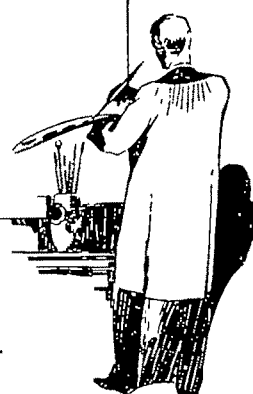
a government department. He approached me not long since, asking if it were possible for him to make good as a salesman. Suspicious of his training, and seeing he was inclined to be self-opinioned, haughty and had little patience, I told him I thought three months would see him finished, and that he would get a better financial return making fretwork pipe racks or employed as an American policeman. His very method of approach was enough, and some ten weeks later he confessed his error. Although he sold rope, I am not aware that buyers of hemp and binder twine are more difficult to handle, than say purchasers of scented soap, or iron and steel, unless, because it is used in the process of hanging, it has a somewhat sinister suggestion.

Accustomed as he was to treat mankind as almost beneath his notice, and possessing a head too large for a halo, he thought such methods admirable as selling points. To insist that a man must buy your product, because for years you have been in a position where you have always had your own way, is obviously fatal for a salesman. But to accompany it with an air of deliberate independence, is to invite disaster by the quickest means.

Selling is largely the art of pleasing, and one can do that best by being so pleasant as to be almost irresistible; by knowing how long to spend with a man, or whether it is wise to stay at all. To burst unceremoniously into a buyer's office and deposit a wet umbrella on his desk, is to seek trouble, although I have known it to happen on more than one occasion. To lack spirit to such an extent that you have insufficient courage to stand up against a rude buyer, is equally fallacious.

Some appreciation of the difficulties of a buyer will perhaps tend to shew the right and wrong methods of approach, and to what extent personality matters. His position is hardly the sinecure generally imagined, to realise what he has to contend with is to understand, in no small measure, what we are up against.

He has to buy right and he must buy well. Not too cheaply so as to avoid risk, yet cheaper than the man next door. He must be certain that he buys only enough. Markets are afflicted with strange habits. Perhaps he expects trade is on the turn, since prices have an upward ten-



ALWAYS it is
the master touch
that lifts every-
day things above
the commonplace

'PERFECTOS' No. 2
Virginia Cigarettes

10 for 10½d. 50 for 4/3
20 for 1/9 100 for 8/-

JOHN PLAYER & SONS, NOTTINGHAM,
Branch of The Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.
P.P. 257

dency, and a strike will take place and alter the whole situation; or else, being of the opinion that business is bad, run into a minor boon and be caught short. Further, he may handle many lines and those as varied and numerous as oats, tea, linen and spelter.

His firm may tender for a big job and obtain it. Does he get a pat on the back for shrewd purchasing? Not a bit of it. He is warned that his buying may have lost them the order, since some of the articles included in the estimate were obtained at too cheap a price, and are likely therefore to be unreliable. On the other hand, should the order pass them, he is politely told he is not buying well, or else he does not know his markets.

As a capable man, he must see all travellers at all manner of times, occasionally for hours on end, and he must know all about what he is buying, even if the salesman does not. Consequently he is indisposed to waste much time over those who make it their business to air their views, and what is even worse their ailments and their grievances. To him, the ignorant man is anathema, besides being possibly harmful, as the following illustration will shew.

Asked on one occasion to purchase some gas fittings, a buyer requested an assurance from the

traveller that they had been thoroughly tested. They looked satisfactory, and were well finished, and he was told they would serve their purpose in every way. Three weeks after they were fitted, an old lady was found dead in the house to which they had been sent, the cause being obviously poisoning by gas. The suppliers were asked to send along a representative to be present at the subsequent inquest, and the man who came, possibly *au fait* in many respects, was vague and puzzled about the cause of the leakage. He talked a lot about his selling abilities, and argued that he was neither a metallurgist, nor a professor of science, but a salesman—which obviously he was not.

Unfamiliar with the article he sold, he used braggadocio to cover his ignorance. His personality was nil, since instead of helping the issue he merely aggravated it. Knowledge, after all, begets confidence, and confidence gets orders. Not over confidence, which is merely a polite name for swank. A man who puts on "side," does it simply as a cloak to cover his lack of information.

The good salesman is different. He will spend any amount of time getting down to the subject in hand by clever feinting and finesse. He seeks always to please, and he uses tact and knowledge which, added together, make him the personal success he is.

"Why Not Be a Salesman?"

It's a healthy job—and a well-paid one with fine prospects."

This was the advice given to a man who was dissatisfied with his earnings and could see no future. The friend introduced him to Mr. Wallace Attwood, Britain's Greatest Trainer of Salesmen, and to-day he is drawing £600 a year. Why not let Mr. Wallace Attwood train you? Salesmanship is the one job in the world which will help a square peg to leave a round hole and better himself. Salesmanship is the big profession of to-day.



Another instance—
this man now earns

£1,000 p.a.

A very interesting book "The Profession of Salesmanship," will be sent to you post free on request. Send for your copy to-day

WALLACE ATTWOOD COLLEGE

Dept. B.O.M., 26, Bedford Row, London, W.C. 1.

'Phone Chancery 7526

Commonsense Methods of Business Building.

By CUNLIFFE L. BOLLING,

Author of "Commercial Management," "Sales Management," etc.

VIII.—How to conduct Outdoor Publicity.

In this series of articles, started in the March issue, Mr. Bolling has outlined the principles of modern sales management, including the marketing, distribution and pricing of goods, credit granting and press advertising.

The articles to come will cover other forms of advertising, the employment of salesmen and agents and special selling methods.

OUTDOOR publicity is, like press publicity, a form of "indirect" advertising by which the advertiser's message is broadcast to the world in the hope that it will be read by prospective purchasers or users of the articles or service offered and as in the case of press publicity the advertiser's object is to avoid wastage by carefully selecting the methods that will bring him the best results.

The medium most commonly used is the printed poster because this can be reproduced in large quantities at a moderate cost and can be displayed almost anywhere the advertiser wishes.

BILL POSTING.

In the early days of outdoor publicity bill-posting was a matter of "stick and run," the practice (now known as "fly-posting") being to post the bills, without permission or payment of rent, in any position that took the billposter's fancy; fences, walls and shopfronts of neglected properties being "fair game."

The fly-posting activities of the itinerant and amateur billposters have been curtailed by the establishment of protected sites and the familiar notice "Billstickers will be prosecuted," although some of the newspapers still do a great deal of fly-posting and often have to pay substantial fines as a result. For the sake of his good name an advertiser should never practise or countenance fly-posting, but should always send his posters to responsible billposting contractors for display on their protected sites.

So great is the number and variety of sites on walls and hoardings held by the billposting companies and so completely is the town and country covered by these companies that the advertiser

has no difficulty in placing his posters. The important matter for him to decide is *where* to place them.

Posters can be used not only on walls and hoardings in city streets or by main roads in the country, but also on railway platforms and on either side of the railway lines, on the subways and approaches of the underground railways, at cricket and football grounds and racing tracks and on the sides of tramcars, omnibuses and carriers' vans.

This universal use is made possible by standardisation in the sizes of posters and the advertiser must keep to the standard measurements. Poster sizes are based upon the "double crown" sheet of paper which measures 20 inches (wide) by 30 inches (high), this being the size of the familiar newspaper "contents bill."

The size of poster most commonly used to-day is the "sixteen sheet" which is equivalent to sixteen double crown sheets placed in four rows of four, so that it measures 80 inches wide by 120 inches high.

A "forty-eight sheet" poster—the largest size in general use—is equivalent to three sixteen sheet posters placed side by side, or to four rows of twelve double crown bills, and therefore measures 20 feet wide by 10 feet high.

SITE VALUES.

There are many degrees of cost and of value for money in placing posters. Some advertisers make the mistake of giving their contracts to third rate billposting contractors who appear to be cheap, and these advertisers suffer from the fact that these third rate contractors have only third rate sites.

The acquisition and maintenance of first-class advertising sites is a task that calls for skilful negotiation and considerable outlay and if the advertiser wants the best sites he should go to the leading contractor for the district in which he is interested.

The best way to choose a billposting contractor is to look round the district in which the posters are to be placed and see who has the best sites. It is not safe to judge by the *number* of sites, for the best test is one of quality, not quantity. The advertiser must therefore watch for the most prominent positions and will be able to tell in a very short time which of the local contractors is out to provide its clients with the best positions available.

It will be understood that the amounts paid for sites vary considerably. Some contractors will gladly pay several hundred pounds a year to secure a good site of moderate size, while others will only take on sites that can be obtained for a few pounds a year.

COST OF OUTDOOR PUBLICITY.

The charges made by the billposting companies naturally vary with the site values, but as an indication it may be mentioned that the average charge for placing a poster of the popular sixteen sheet size is 2s. 8d. per week.

Posters also vary considerably in cost, according to the quality of the paper and inks, the colour, the process used in production and the quantity produced, but the average cost of the posters commonly used is about 2s. 6d. each.

It may be helpful to give a specimen transaction between advertiser and billposting contractor, for example—

A contractor might undertake to display 500 sixteen sheet posters for 13 weeks within a radius of six miles from Charing Cross. The advertiser would, of course, have to supply sufficient posters to permit of their being replaced as frequently as necessary—weather conditions affect the life of a poster—and the advertiser could, if he wished, arrange for the contractor to alternate them so that he would not keep any of the posters in the same position for the whole of the thirteen weeks.

The cost of the above outdoor publicity scheme to the advertiser, including rental and the cost of posters, would be about £1,000.

POSTERS AND METAL SIGNS.

The advertiser must entrust the production of his posters to a printer who specialises in poster work and will be well advised to study the printers' imprints at the foot of the posters that attract him, and so find the printer who is producing the type of poster he requires. The printer can arrange for the necessary art work to be done in designing the poster and this is best left for him to arrange as the designing of posters is a ticklish job and the artist must be familiar with the methods used by the printer who will reproduce his drawings.

When an advertiser does not consider it necessary to change the design of his outdoor advertisements and is willing to have them fixed permanently in agreed positions, he may be able to use metal signs instead of posters. Very great strides have been made recently in the methods of producing metal signs and the modern metal sign is more striking than a poster (provided it is kept clean) and is more economical in the long run.

For use in positions that are difficult to reach or very much exposed to the elements, metal signs have added advantages over posters and they are therefore commonly used in railway advertising and for sites in the open country.

SOLUS SITES.

The advertiser who has a substantial sum available for outdoor publicity and wishes to rise above the throng has plenty of scope for special display. He can acquire a "solus" site—a prominent position where his advertisement will appear alone—and upon this site our versatile sign contractors will paint anything he desires in any colours and in any size.

If he wishes to tell his story at night as well as by day he can erect an electric sign and by the use of a very simple device this sign can be animated, catering for the great number of men and women who are fascinated by brilliant and changing lights and "must stay and see what happens." He may go even farther and employ aeroplanes to write his message in the sky or by means of kites in fine weather.

In addition to the above media, mention should be made of the installation of kiosks and showcases on railway platforms and in the booking halls of the larger stations. This form

KITE-ADS

SKY-HIGH

Your publicity will be above the common level—Sky high, in fact—if you use KITE-ADS, an inexpensive form of publicity—seen by all, beaten by none.

They arrest attention.
They sell your goods.

Send for Booklet.

Phone: CENTRAL 8403 8404

KITE & INTERNATIONAL SIGN CO.,
29, LUDGATE HILL, LONDON, E.C.4.

PRINTER SERVICE and GOOD PRINTING !

We offer you both at a price which makes your Posters, etc., a Commercial proposition. Ask for particulars.

REGENT COMMERCIAL INSTITUTE Ltd.

*Letterpress and Lithographic Printers,
Commercial and Heraldic Stationers*

VIGO HOUSE, EARL ST., FINSBURY SQ.,
LONDON, E C 2

of publicity is not used to anything like the extent it should be and many of the advertisers using it are not doing so to the best advantage. With many classes of merchandise, exhibition is the finest form of publicity and the advertiser has here a chance to place a shop window before the public and exhibit his leading lines under exceptionally favourable conditions because the dinginess of the station will give added prominence and attraction to the display.

To achieve this effect, however, the showcase must be of good size, planned like a shop window, properly fitted, well lighted and dressed by experts, and the displays must be changed at frequent intervals.

A minor but useful form of publicity is the printing of advertisements on the backs of tramcar and omnibus tickets. The space available is small, but a fair amount of wording can be used and there is the great advantage that the person to whom the ticket is issued can keep it for reference if he is interested in the advertisement.

Small posters and panels can be used inside railway carriages, tramcars and omnibuses and can even be exhibited on the walls inside post offices.

AREA CONCENTRATION.

The great advantage of outdoor publicity is the opportunity it gives for area concentration, that important process of advertising that has to be practised by the shopkeeper or amusement caterer who only wishes to advertise in a closely defined area, by the manufacturer who is taking a certain area as a test in bringing out a new line and by the well established manufacturer who wishes to concentrate upon an area in which a falling off in his sales has occurred.

Shopkeepers, theatre, music hall and cinema

proprietors may rely entirely upon outdoor publicity for their advertising, although the majority of them use the local press as well, but no other class of trader could rely entirely upon outdoor publicity because it is impossible to present a complete sales argument upon a poster. At most there is only room for the name of the article offered and a slogan, with an illustration of the article or some other appropriate subject.

Did you ever buy a proprietary article for the first time as the result of reading a poster?

The answer is probably "no" and if you ask a dozen of your friends they may all give the same reply.

Because a poster cannot present a complete sales argument it cannot create a demand for an article in the way that press publicity or sales literature can, and it would be a waste of money to open an advertising campaign for a new article by outdoor publicity.

USES FOR OUTDOOR PUBLICITY.

When, however, the public has been forced to think about an article by an intensive local advertising campaign, accompanied by displays in the local shops, the poster's brief message can be very effective in ramming home one important part of the sales argument, preferably the climax or strong point of the press advertisements.

More valuable still, when an established manufacturer's sales are falling off in a district, the poster can be used to revive interest in his products.

In last month's article I introduced the subject of area concentration and showed how the manufacturer practising it used the local newspapers. He can give this local press campaign valuable support by conducting a local outdoor publicity campaign.

Suppose for example that Red Bell cigarettes were a leading line in this country but that sales of them had fallen off in the Newcastle district. If the manufacturers of Red Bell

Don't Buy British

Envelopes merely because they are British but buy them because they are the best; this means buy IMLAY Envelopes, which have 58 years' experience at the back of them; they give tone to correspondence and cost no more than cheap Continental stuff. *Commercial from 2/- per thousand, delivered.*

All sizes in Seed, Wages and Official Bags; also Account Forms, Memos., Writing Pads, etc. **SAMPLES FREE.**

HUGH IMLAY & Co., Ltd.,
Dept. B. Park Road Works, ABERDEEN.

cigarettes practised area concentration they would send special sales representatives to the retailers of Newcastle, make arrangements with the retailers for Red Bell window displays, supply the retailers with sales literature for distribution, place advertisements in the Newcastle newspapers and plaster the walls and hoardings of Newcastle with "Red Bell" posters.

In a case of sufficient importance they could take solus sites, with electric signs if necessary, and spaces outside and inside the tramcars and omnibuses and could even have "Red Bell Cigarettes" written across the sky.

WHY SALES MAY DROP.

It may be advisable to point out that the fact of area concentration becoming necessary in the case of a well known manufacturer is not necessarily a reflection on him. It does not follow that because his sales have fallen off in a particular area the public there is dissatisfied with his products.

Sales managers and advertising men must respect and cater for the vagaries of human nature and one of these is the desire for change. The public can get fed up with "hundred per cent. efficiency"—particularly in the case of food products and clothing—and although perfectly satisfied with a favourite brand will go off in search of "something new for a change."

The favourite brand may not be supplanted by a directly competitive article or indeed by any particular article. The man who gets tired of porridge for breakfast may substitute fruit for it or go straight to his bacon and eggs, and the man who gets tired of smoking cigarettes may take to smoking a pipe or give up smoking.

However, the man in the street has only a limited amount to spend and a multitude of articles are offered to him, so that any surplus is quickly taken up, *new habits being formed*.

The manufacturer's danger is that his consumers will adhere to their new habits and forget him, and to prevent this it may only be necessary for him to confront them with a poster bearing his name. This poster should remind them of

the good service he has given them in the past and may promote the desired thought, "I haven't had any of that lately—I must get some."

If under these circumstances it is possible for the manufacturer to suggest new uses for his products in his outdoor publicity, he should be sure to do so as this may be of considerable assistance in bringing consumers back to him. For example, the manufacturer of Fulfilla Breakfast Food might use the slogan "Try Fulfilla with Jam" giving a suitable illustration, if this was likely to influence people who had forsaken Fulfilla.

Incidentally, outdoor publicity is an excellent method of announcing a reduction in the price of a well known article.

WORDING OF THE POSTER.

A poster has little time to tell its story and its message must be capable of being taken in at a glance, the difficulty being that the reader is not in the same receptive mood as the reader of a press advertisement. The poster has to arrest and impress, whereas the press advertisement has only to attract and interest and, because of this, legibility, brevity and simplicity are even more important in designing posters than they are in designing press advertisements.

It is vitally important that the dominant feature of a poster should be either the name of the article offered for sale or, if the article is distinctive in appearance and attractive in itself, an illustration of the article. Outdoor publicity offers the advantage over press publicity that articles can be shown in their natural colours.

There is not room on a poster for more than a few simple words, so that the sales argument used must be condensed into a "catchy" and easily remembered "slogan."

Slogans play a very important part in outdoor publicity and the advertiser should strive to equip himself with at least one really powerful slogan, which should include the name of the article advertised, e.g., "Bovril puts beef into you," "Friday night is Amami night"

Next month Mr. Bolling's subject will be "How to conduct Press Publicity."

W LONDON, W.C. **HILL** & CO. **LTD.**

67-71, SOUTHAMPTON ROW,
LONDON, W.C.1.

Phone Museum 2443 (3 lines)

THE LARGEST
Poster Advertising Organisation
in
The British Empire

Consumer Goodwill.

By O. RIVINGTON.

(All Rights Reserved)

What is the basic reason for the existence of Business? "To make profits," will be the prompt reply of many. Thoughtful men, however, analyse more thoroughly. Mr. Rivington's opening statement suggests a sounder policy.—EDITOR.

ALL businesses primarily exist for the customer. A constantly increasing volume of customers means stability, progress and prosperity. A business that loses sight of the consumer may grow big as the results of great effort, but it can never hold what it has won: it lacks the cement of sentiment, known as goodwill. Within every commodity sold, and surrounded by the manner in which it is serviced are the elements that make or mar future sales. Everyone connected with the plant or the product has in their keeping some segment of goodwill.

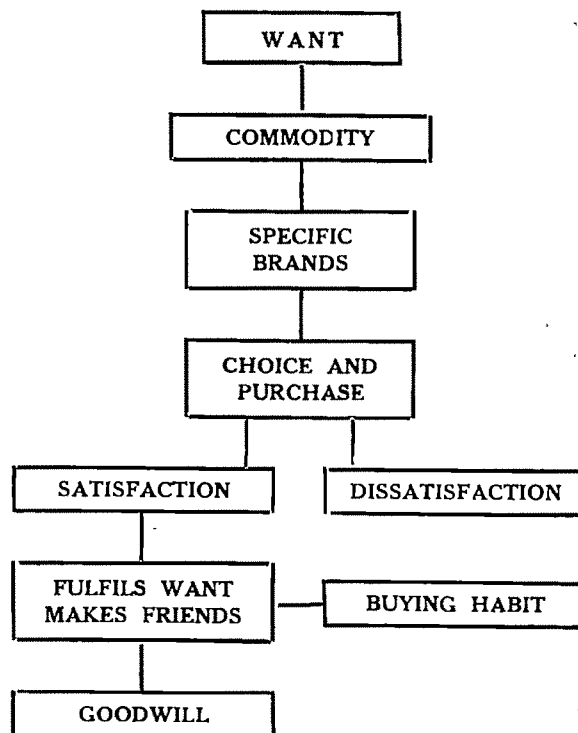
First orders do not make success. Reorders do. The memory of value received on an article that has been pleasingly served is the most potent selling force after the first order has been filled. Money saved in lowering quality is lost, because trade falls off through lowered prestige. Goodwill becomes productively operative when it holds present customers, develops more sales to them, and brings in more customers.

RESPONSIBILITY OF ADVERTISING

Businesses that are motivated by advertising have a much higher standard of value and service to maintain than non-advertised ones. Advertising is still under the odium and suspicion it acquired whilst working for the pill and the elephant, and the catch-penny fakir. When consumers write to the manufacturer to say "it is all you claim," and, as one big manufacturing advertiser was told recently, "It was the name—that got me," the bond between maker and consumer has reached a real goodwill basis. These manufacturers live up to every claim made in their advertising.

Signs are not wanting that business must take on greater nobility of character. A higher order of imagination in its administration is becoming more and more necessary to succeed in it. The best way to train an imagination for the promotion of goodwill, is to try different ways of being of service to people. Merely trying to get money out of them is not the right training—it is too easy. The quality of goodness has beaten through the walls of the Sunday School. Daily experiences and world events have taught for ages that goodness is the only efficiency.

Somewhere, midway between the idealism of John Ruskin and the realism of Henry Ford lie the factors that will bring employer—employee and consumer into an ideal combination. After all, a business is an organism. Employers are the brain and nerve centre, employees are the functional capacities, and consumers the source from which growth elements must be drawn. Medical science describes health as brain in exact sympathy with nerve and muscle, and the body, as being in perfect unison with one's environment. Any business organism which may be similarly described, holds the promise of healthy energy and progress.



Every business thrives or languishes on the heritage of the past. The chart shows the sale's process. From want to commodity is a simple step. It is, say, food = bread. The choice and

purchase of a specific brand is swayed by the psychology of consumer preference. Whatever the choice may be, the outcome is satisfaction or dissatisfaction. If adequate satisfaction can be established, a buying habit will mature into goodwill.

Usually the dissatisfaction side shows no further progress. Hence the need of high quality and good service to keep the sale off the rock of dissatisfaction.

A JUDICIAL DEFINITION.

In building up the law by which goodwill has been defined, considerable importance has been placed upon the value of the "buying habit." In the year 1896 Lord Herschell in giving judgment upon a question of goodwill said: "It is a connection thus formed, together with circumstances, whether of habit or otherwise, which tend to make it permanent that constitutes the goodwill of a business. It is this which constitutes the difference between a business just started, which has no goodwill attached to it, and one which has acquired a goodwill. The former trader (owner of the new business) has to seek out his customers from among the community as best he can. The latter has a custom ready made. He knows what members of the community are purchasers of the articles in which he deals and are not attached by custom to any other establishment." In the same case Lord MacNaughton said: "Often it happens that the goodwill is the very sap and life of the business, without which it would yield little or no fruit. It is the whole advantage, whatever it may be of the reputation and connection of the firm, which may have been built up by years of honest work, or gained by lavish expenditure of money."

THE "BUYING HABIT."

These judgments show that "Consumer Goodwill," as indicated by the "Buying Habit," forms the financial basis of Goodwill Values. Many changes have taken place during the last few years in selling procedure. Amongst them is the growing recognition of the value of the buyer's point of view. Business leaders also realise that the customer must be permanently satisfied with the article or service he buys. In fact, so great a value do they place on the goodwill of an individual customer, they will actually make a sacrifice to please him. To develop a "buying habit," the consumer's and not the seller's point of view must predominate.

What influences this buying habit? In every commodity there is some feature which gives it individuality. Advertising exploits these characteristics and educates the customer what to look for, and tells him what he may expect from the product. If this educative work is done on

10 minutes on a "TERRY" Steelstrand

—for building up energy and vitality, 10 minutes on a "Terry" is excellent. Health is muscular, and exercised muscle is cleared of waste, and enriched with new life.



—get a "Terry" to suit you and you can get years of wear from it. Use does not weaken it—climate does not perish it.

—with each is given a chart of exercises planned on scientific lines.

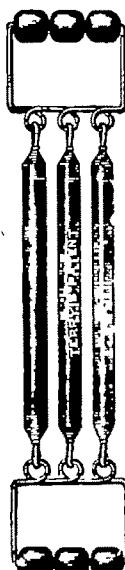
—on 10 minutes a day you may secure a perfect all round muscular tune up

—go to your sports' shop and get a new registered design "Terry"—it will do more for your liver and indigestion than drugs ever will. If your shoulders are rounding and a "bay-window" begins to show—use a "Terry," and lengthen your life.

List, post free.

TERRY

HERBERT TERRY & SONS,
LTD. Manufacturers.
Redditch, England.
Est. 1855.



Terry's
Registered
Designs



right lines, prospective consumers feel a sentiment towards the article, and they buy. Responsibility then falls on the product and how it is serviced.

A STARTLING THOUGHT.

Strip a bicycle of its transfers, a tyre of its name, or a petrol of its special can or pump; unpack all tobaccos; let all cigarettes be put up in plain paper and presented in bulk, and they are reduced to staples. There is nothing to guide customers in their choice, nor can they have any guarantee of uniformity of quality. Immediately a manufacturer takes a staple and gives it individuality, he assumes the responsibility of keeping faith with those who become his customers.

"Buying Habit" is a producer of Goodwill. What then does the consumer mean by goodwill? The term "good" means a combination of all the virtues. Amongst which, he expects honesty, completeness, perfectness, sufficiency; in effect that which possesses desirable qualities, promotes satisfaction, is serviceable, fit and excellent. "Will," means the power of deliberate action, of choosing, of acting at pleasure; to do what one wishes. In the face of the ever-increasing pressure of competition, the "good" part of the commodity and its service, necessitate a constantly rising trend.

WHAT'S IN A GUARANTEE?

The "good" part of goodwill is largely within the control of the manufacturer. He must be prepared to make every claim good, to fulfil every guarantee, and maintain high standards. It costs money, takes effort and time to establish a buying habit, and inspire the decision to buy by name. When this course is earnestly followed, the "will" of the public, who love good value and ample service, will be towards the "good."

Goodwill value reveals itself in lowered selling costs and easier sales. A product asked for by name earns its profit much more quickly than one that has to be "sold." It costs less to sell a commodity which has a market standard than one which has no standard, it costs less to sell large quantities than small ones. Continuous sales cost less than desultory sales.

Modern business is done over immense areas. Thousands of sales have to be made possible with automatic regularity. Consumer goodwill is accumulative, as consumer illwill is subtractive, and so the manufacturer's machinery of production and distribution needs to function in a manner that shall make the customer come again. An unsatisfactory article builds no prospect of future business, and a high grade article uncouthly serviced hastens on feet of clay.

THE PRICE OF GOODWILL.

The use of certain things is one of the habits of life. When one of these habits get established in a home, they are passed on to the children. There are instances where products have been used in homes for generations, but their hold lapsed because those who were responsible, failed to keep them equal to modern demands. Consumer goodwill can never be accepted as finally fixed. Constant vigilance in the way of study of competition, and its possible effects, with a desire to keep the article in public favour, is the only way to maintain consumer goodwill.

So long as a manufacturer neglects consumer goodwill and its selling force, he is bound to remain a life member of the arrested sales development class. Growth of any business will always be limited according to the extent the knowledge of the product is spread, and consumers served. The aim of most manufacturers is leadership. Let them seek their position by heeding the motto, "He receives most who serves best." Consolidated gains are the test of business policies.

ECONOMY with EFFICIENCY

THE tabulated supplements which have appeared in B.O.M. were composed on the most modern composing machines by

BOTOLPH PRINTING WORKS, effecting a saving of at least 70 per cent compared with the usual method of hand composition.

May we also save YOU a big percentage on your Printing and Stationery Account?

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MARKET RESEARCH

This Section of the Magazine will, in future, be devoted to Market Research, Home and Overseas. In spite of widespread publicity and advertising, consumer capacity has untapped potentialities. These can be more fully exploited only by knowledge of the capacity of towns, districts and countries to absorb specific kinds as well as quantities of goods. Research alone can furnish this. To be effective, it must be executed in the light of experience garnered by years of painstaking effort. Examples of actual research problems will be furnished, but for obvious reasons names cannot be given. Our readers are invited to submit their problems for advice.—EDITOR.

Applying Market Research to Sales Development.

By H. G. LYALL, F.C.I.

Director London Research Bureau

IT is a fact that firms become stale, business gets in the doldrums; sales reach a certain point and then stick, or recede. To stimulate sales many schemes are evolved and plans adopted and tried out; often costly schemes which may or may not be successful. Changes are made in the personnel of the firm; brilliant business brains are utilised; internal and external re-organisation takes place, which may or may not bring the desired results. First or last the stimulant of advertising is sure to be tried which, again, may or may not, bring about a cure.

How many firms in this condition apply the x-ray of Market Analysis to discover their malady before attempting a cure? Not many, but there are a few and there is a growing number each year. The following investigation is a case in point:

The investigation had to do with a branded food product in a highly competitive field. My clients were the proprietors of what was undoubtedly the best known brand of the product on the British market. In fact, the name of the brand was a household word, and had been for twenty years. One would have said that they knew all about this market that was worth knowing, but they, with a wise humility, did not think so. This was how they put the matter: "We believe that we have the brand with the

largest individual sales in the country, but we do not know what proportion our sales bear to the total sales of the product as a whole, we do not know what proportion our strongest competitors have of the sales; we do not know what proportion of the total sales in each area we have nor do we know what proportion of sales we have among each class in any one area. Why does the housewife prefer one brand rather than another? What is the average weekly consumption per family of the product? How does the average weekly consumption per family of those who use our brand compare with the general average? We know that our brand is being used for four main purposes, but we do not know for which purpose most is being used. What percentage of possible users are not using the product at all, and why? We are anxious to increase our sales, but until we are satisfied on these points we cannot launch our campaign with any degree of confidence. Should we concentrate on one area more than another? Should we appeal to one class of the community rather than another? Should we advertise our product to be used for one purpose rather than another?

A questionnaire, covering the points requiring elucidation, was prepared and to secure replies to the questions a trained staff of investigators interviewed thousands of housewives of all

classes of the community. Specific areas were covered and each interview was classified into a middle-class, lower middle-class or working-class group. When the mass of material was analysed the following are some of the points which emerged.—(1) In the areas covered there were no fewer than 100 brands of the product being bought; (2) that the brand in which I was interested had the largest individual sales of any brand, but (3) it had but a small percentage of the total sales of the product as a whole; (4) that its chief competitor was not the same brand all over, but varied from area to area; (5) that in London one brand was running it very close and beating it among certain classes; (6) that the working classes were the chief buyers of the product as a whole, but were the smallest buyers of the brand in which I was interested; (7) the reason for this being that it was rather more expensive than the majority of brands on the market; (8) many working-class housewives declared that they would buy it if they could afford it, as they considered it the best brand; (9) the middle-classes were the smallest consumers of the product as a whole, but were the largest consumers of the brand for which the investigation was being done; (10) it was found that this brand was more popular in certain areas than in others, for example, more housewives were using it in Glasgow than there were using it in Newcastle; (11) the product was being put to a number of uses, but few individual housewives were using it for more than one or two purposes, in other words, had every housewife used the product for all the purposes for which it could have been used the consumption would have been at least ten times more than it was; (12) in Glasgow a more general use was being made of the product than in any of the other areas covered and consequently the average number of packets used per family was larger than the average in other areas; (13) the chief purpose for which the product was being used in each area was the one which consumed the least quantity and was not the one for which the product was generally advertised; (14) it was found that my clients' brand was being bought for a certain *temporary* need and that when the need no longer existed the housewife ceased to buy, in spite of the fact that there were at least three other uses to which she could have turned the product; (15) valuable figures were secured bearing upon the average consumption of the product in general—and this brand in particular—by family, by class and by area.

It will be seen that this investigation revealed



Builders of goodwill

Everywhere they go your parcels advertise you and the better they are packed the greater their free advertising value.

Well packed parcels, labelled with well designed, brightly printed Gummed Labels and sealed with printed Gummed Tape will keep your products safe in transit and be real goodwill builders on their journey.

Ask your Printer for our free booklet on the art of attractive packing. It shows you how to make—

EVERY PARCEL
• TRAVELLING SALESMAN

Use **Gummed labels**

quicker cheaper cleaner

Advt. of Samuel Jones & Co., Ltd

three possible lines of policy to my clients:— (a) to reduce the price of their brand and thus bring it within the buying capacity of the biggest consumers of the product, *viz.*, the working-classes! (b) by means of advertising to stimulate a bigger consumption among the middle-classes, who consumed least of the product, and by so doing increase the number of possible users of their brand; for among the middle-class housewives interviewed it was found that a bigger percentage of those using the product were using this brand than was the case among housewives of other classes; (c) by means of advertising to educate the housewife to use the product for *all* the purposes for which it could be used, instead of their using it for one or two, as at present, and thus increasing the per family consumption.

This is but one example of the many uses to which market research is being put to-day. Much valuable work is being done on behalf of new products, and brands of products. In fact, it is never wise to launch a new brand on the market without a preliminary investigation.



A service of practical value to Manufacturers and Exporters seeking new markets for their goods, and to Importers desiring to handle foreign lines—See Editorial notice on p 2

By C. W. FRERK, V.D.R., M.I.E.S.

WE have been accused of being "too International," giving "too much prominence to news and descriptions of foreign countries."

Is there any need to point out that with all the foreign reports and news we have published in this section we have not in the least served the foreigner, but put before our British manufacturers a definite and well-organised service of export marketing intelligence? In fact some of our foreign readers have told us that in our market surveys we have shown throughout how British manufacturers could and should enter their country, organise the sale of British goods in their market, without mentioning more than a few words as to what those countries could and would like to export to Great Britain.

Those manufacturers who have consulted us in personal interviews, who have discussed their export problems with us, *know* what these services can do for them, how they can increase their turnover.

It is evident that the true value of marketing intelligence services and the importance of market surveys and analyses is not yet properly realised.

Let us analyse this value and importance, in order to demonstrate how essential international market intelligence services are to the development of British trade throughout the world.

WHY IS A SURVEY OF EXPORT MARKETS SO ESSENTIAL?

- (1) Because there are so many different peoples and races.
- (2) Because these different peoples speak many different languages.
- (3) Because they have different customs, habits and tastes.
- (4) Because their different habits and customs and idiosyncrasies require different handling, different merchandising methods.
- (5) Because they have different needs, and therefore demands for different commodities.

WHAT IS ACHIEVED WITH PRELIMINARY SURVEYS AND REPORTS?

- (1) The manufacturer will see which are his most potential markets.
- (2) He will know how to plan his export activities.
- (3) He can choose his markets, which are determined by the nature of the product and by the conditions prevailing in the markets.

WHAT ACTION TO TAKE

- (1) If the manufacturer has already connections in the markets.
- (2) If he has already agents there.
- (3) If he has never sold in that market.

HOW TO ADJUST HIS PRODUCT TO THE REQUIREMENTS OF THE MARKET.

- (1) The particulars of race, customs, language, habits, tastes will tell him whether his product is saleable at all or not
- (2) He may find that an educational campaign may create a demand where it did not exist before.
- (3) He may find that his product has to be altered slightly to meet with the existing conditions in the market.
- (4) What will have to be changed: colour, flavour, packing, weight, measurement?
- (5) Is his appeal right, does it comply with the use to which the article is put in the foreign market? Perhaps the natives use his product in a different way; as he does not appeal to them in that way, they think his product is not suitable for their needs.

CAN THE MANUFACTURER HANDLE THE BUSINESS SUCCESSFULLY?

- (1) Can he comply with the local usages of payment?
- (2) Can he ship economically?
- (3) Can he manufacture the product such as it is required in the market?
- (4) If there is competition (a) home, (b) other foreign, can he compete and how?
- (5) Can he adjust his prices to local tendencies?

HOW CAN HE OBTAIN CUSTOMERS?

- (1) Actual consumers
- (2) Importers, agents.
- (3) Wholesalers.
- (4) Retailers.

WHAT PUBLICITY MEANS TO ADOPT.

- (1) Direct mail (sales letters).
- (2) Local press.
- (3) Film publicity, hoardings, etc.
- (4) Gifts.
- (5) Sending travellers
- (6) Holding exhibitions

WHO BUYS HIS PRODUCTS?

- (1) Number of population.
- (2) Number or percentage of population requiring or using the product
- (3) Number of wholesalers, retailers, importers, handling and distributing his or similar products.
- (4) Quantities and values already imported and consumed.

HOW SHALL ORDERS BE SHIPPED?

- (1) Direct to the market?
- (2) Through the shippers at home?

WHAT IMPORT REGULATIONS AND RESTRICTIONS EXIST IN THAT MARKET?

- (1) Must he produce consular invoices, or certificates of origin, or legalised invoices?
- (2) Must the goods be marked with the country of origin?
- (3) Must the goods be packed in tins or otherwise?
- (4) Are there duties payable, and if so do they still make business possible?
- (5) What about patents and trade-marks?

Surely our readers will admit that a comprehensive knowledge of all these data, and the planning and preparation of an export sales campaign based upon such data must ultimately lead to success. If the manufacturer knows exactly which market or markets to enter, how to enter them, how to adjust his product to the local requirements, how and where to get connections, how to organise distribution, how to ship and pack and advertise—he cannot fail to increase his trade in the market he enters with such knowledge of facts. The foreigner will prefer to deal with him—even in cases where his prices might be slightly higher—because he is spared a great deal of annoyance, delay, queries etc., which are experienced with manufacturers who have not the slightest idea of the conditions prevailing

We may be stressing the point of the foreign markets and their requirements. There is, however, no doubt that all we have said applies with equal importance to our home market. There is just this one difference. When we attempt to analyse home territories, trying to show manufacturers how they may successfully increase their trade by adopting certain better methods; when we attempt to tell them something about their home areas—and we shall do so in a series of articles on our home counties—manufacturers usually say “We know our markets, we know what can be done and what cannot be done there, and there is nobody who can tell us more than we already know”

But wait and see—already there are a number of very progressive British manufacturers who recognise market research and market analysis as THE ESSENTIAL BASIS FOR BUSINESS PLANNING AND BUSINESS EXPANSION. Market Research is more important than advertising—it must precede advertising if such advertising is to be effective and successful.

INTERNATIONAL MARKETING HINTS.

The data furnished monthly under this heading will be amplified with pleasure, to any subscriber making the request—EDITOR.

INDUSTRIAL PUBLICITY FILMS FOR INDIA.

THE Director of the only cinema for educational and scientific films in India writes:

"We are very interested in industrial cinemas, industrial films, advertising films and slides, and we could do with a greater number of advertising cinema apparatus for continuous screening of films, and automatic projector apparatus for sixty lantern slides.

"We should very much like to have stylo and fountain pen manufacturing films, for purposes of publicity, sales demonstration, as also for educational purposes.

"There is also a great demand for astronomical films known as 'Our Heavenly Bodies' in seven long reels containing trick-scenes and described in 'Science and Industry,' July, 1927.

"Scientific and educational films are badly wanted in India, and they are as yet the finest and most effective advertising media in such a vast country as India, with such a great illiterate population. Film publicity gets 'home' better than any other advertising medium, when you want to appeal to the masses of native consumers."

Here are some very valuable and interesting hints. British manufacturers should send publicity films and complete equipment to India and have their agents give demonstrations.

LEATHERS FOR JAPAN.

A Tokyo importer of leathers and boot and shoe accessories informs us that he has asked several German leather dressers to send him samples of leathers. He finds that the samples he has received are very interesting, very beautiful in colours and superior in quality, but that the grains pressed on them are quite unsuitable for Japanese people, because most of them have the artificial grain of snake, lizzard, python, etc., which are quite disagreeable to the Japanese. Smooth calf leathers as well as Tapier and velvet leathers are mostly in demand for leather goods, and then calf leathers, skivers for lining purposes. Leather goods are very little imported now on account of the 100% import duty. Hence the establishment of numerous new leather goods and boot and shoe factories in Japan, and the growing demand for good quality leathers. British leather dressers and shippers should cultivate the Japanese market.

DEMAND FOR CLOCKS & WATCHES IN GREECE.

19,500 alarm clocks of the value of 1,500,000 Drachm. and 28,000 watches of the value of 3,000,000 Drachm. were imported into Greece during 1926. The majority of the alarm clocks were of German origin, but in watches Switzerland seems to have the monopoly in Greece. Wall clocks and grandfather clocks are also in good demand and are mostly imported from Germany and Czecho-Slovakia. The fact that Greece imports practically all watches from Switzerland proves that quality plays a more important part than price, which should encourage British manufacturers of clocks and watches to look after their interests in this market.

PRINTING PLANTS WANTED IN CHILE.

In comparison with the small population of Chile, the demand for printing plants is remarkably good. A recent census shows that there are at present 151 printing and 15 lithographic establishments in Chile, as well as 10 cardboard and box making works. There are 101 daily newspapers, 218 weeklies, and 456 monthlies and other periodicals. The biggest and most influential newspapers are published in Valparaiso and Santiago.

The greater quantity of imported plant, machinery and equipment comes from Germany, which country is followed by the United States with Great Britain third. German equipment is cheaper, but it has been found that for good quality printing British machines are far superior. If British manufacturers of printing plants and printing equipment were to follow the German example of appointing agents who would hold stocks of spare parts, the turnover in British printing equipment could be doubled and trebled within a very short time.

Our informant cannot understand why so few of the well known British manufacturers of printing machinery and accessories have established agencies and equipped consignment and delivery stocks at Valparaiso and Santiago de Chile. The several first-class newspapers and periodicals are constantly increasing their circulation and improving their printing, and high-class quality printing equipment is in growing demand.

BUSINESS OPPORTUNITIES IN PALESTINE.

Palestine, formerly a Turkish province, now a British Protectorate, is an independent economic

territory of growing importance. Immediately after the war the influx of Jews from many countries brought with it considerable capital for industrial and commercial development purposes. Industrial enterprises sprung up like mushrooms, a number of them doomed to failure from the start, but others developing to quite important works. There are already several medium and large size cement works, oil mills, flour mills, match factories, cardboard factories, tanneries, boot and shoe factories, as well as weaving and spinning plants.

The immigration of Jews reached its highest point in 1925, when the total population increased by 8%. The city of Tel-Aviv which was founded in 1909, and whose population was 1,000 at the end of the war, has now a population numbering more than 44,000, which is striking evidence of the progress that is being made.

Although the country is at present in an economic crisis, as developments had been made too rapidly and with little forethought, there is no doubt that Palestine has a future of prosperity. Manufacturers should realise the possibilities in Palestine and prepare the ground for the business that will soon be available.

Motor Cars. Motor cars were very little known in Palestine before the war, but to-day they are one of the most important means of transport for goods and passengers; they are serious competitors to the railways, as they do longer journeys in about half the time as railways, which have to make considerable detours on account of the hilly and mountainous character of the country. The passenger motor cars and lorries are for the most part of American make, Dodge, Studebaker, Hudson, Buick, Ford. British cars would have a splendid chance, if their makers were to organise the distribution on the lines of the American firms, and establish petrol tank and repair service stations along the main traffic routes. Some of the American manufacturers have combined service-stations, an example which should be followed by British makers.

Motor Cycles. The sale of motor cycles is still limited and so far the only machines seen are of British make, and in the service of the British officials stationed in Palestine. However, with proper publicity methods a wider demand could easily be created.

Bicycles. During the inflation of the French franc considerable quantities of French-made bicycles were imported into Palestine; there are also a number of American makes. The demand is visibly growing; if British manufacturers established local agencies, they would do a worthwhile turnover, provided they meet the user where the terms of payment are concerned.

Typewriters. With the influx of so many

Jewish business men the import of typewriting machines has trebled within four years, and most business houses are adopting typewriters, and also other office machines and modern office equipment. Most of the typewriters are of American origin (Remington, Underwood and Royal in particular), but the German Mercedes and Bing-Orga machines also have a good sale throughout the country.

Sewing Machines. In these the Singer Company seems to have the monopoly, Singer's have their own branches throughout Palestine, and you can find them even in the smallest native village. Competitors would have a hard fight against Singer, but there is no reason why another make with similar progressive marketing and service methods should not obtain a fair share of the available business.

Gramophones. Their number runs into thousands, the demand is chiefly for cabinet gramophones of good quality. The sales of records are enormous; in addition a good number of record-lending libraries have been established, which make it their duty to be always up-to-date and have the very latest records in stock.

Wireless Goods. Wireless is still in its infancy; the few sets in the country are in the hands of well-to-do people and are very powerful valve sets for receptions from the Egyptian, Turkish and European broadcasting stations.

As far as the total imports into Palestine are concerned Great Britain stands first as country of origin, but Germany and the United States are following closely behind, and their growing activities should be watched very closely.

REDUCTION OF DUTIES ON MOTOR VEHICLES IMPORTED INTO GERMANY.

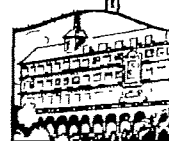
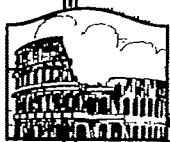
The following new rates are now in force until December 31st, 1927:—

MOTOR CYCLES, General Tariff, 250 Rmks per 2 cwts (formerly 290 Rmks); Commercial Treaty Tariff, 220 Rmks per 2 cwts. (formerly 245 Rmks)

OTHER VEHICLES, weighing 44 cwts and less, 150 Rmks per 2 cwts. (formerly 200 Rmks.), weighing 44 to 64 cwts, 100 Rmks per 2 cwts. (formerly 130 Rmks.), weighing 64 and more cwts, 90 Rmks. per 2 cwts. (formerly 120 Rmks.)

These new rates are to be still further reduced on January 1st, 1928.

The selling opportunities for motor cycles and motor cars in Germany are indeed excellent. American manufacturers seem to have anticipated the extent of the market; their organisations are already so strong throughout Germany that German motor car manufacturers are viewing their activities with envy. There are excellent opportunities for British motor cycles, and also for medium-priced 2-seater cars.



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Monthly

ENQUIRIES FOR GOODS AND AGENCIES.

The Enquiries listed below represent actual requests received for the goods mentioned. They are genuine openings for more business to those who manufacture or market what is required. We will tell you, upon enquiry from you, exactly how to get in touch with these potential customers; how to ship; how to arrange payment and all other necessary information. If you are a subscriber the service is free, if not, the list of names and addresses costs you 2/6.

Your own offers of goods or services may be inserted on this page free of charge. Send for our Service Form

(a) Foreign Importers or Agents seeking British Goods or Agencies.

- (351) **Iceland.**—Solicits catalogues and price lists from manufacturers of photographic apparatus and accessories, optical goods, hunting and sports goods.
- (352) **Denmark.**—All kinds of novelties wanted, chiefly novelties in household goods. Buying on own account, but also willing to act as agent on commission basis.
- (353) **Uruguay.**—Wants to import all articles for department stores, fancy goods, toys, earthenware, china, pressed glass, etc. Buying for own account. Correspondence in Spanish only.
- (354) **Norway.**—Interested in all advertising articles and advertising novelties. Solicits catalogues and terms.
- (355) **Tanganyika Territory.**—Imports all sundries for the African trade, metal goods, cutlery, aluminium and enamel ware.
- (356) **U.S.A.**—American mail-order house solicits offers for handkerchief linen, lace, ready-made handkerchiefs, embroidered work, runners, etc.
- (357) **Australia.**—Motor car agents with extensive connections seek agencies for motor car accessories, horns, lighting equipment, tools, carriage fittings and mountings, etc.
- (358) **Canary Islands.**—Urgent C.I.F. Tenerife and C.I.F. Las Palmas offers wanted for toys for forthcoming Christmas trade. Correspondence and printed matter in Spanish or French.
- (359) **Mexico.**—Materials for ladies' dresses and coats, linen for lingerie, and all novelties in textiles. Agencies wanted. Correspondence in Spanish only.
- (360) **Roumania.**—Seeks to represent manufacturers of gramophones and records, also other musical instruments. Correspondence in French.
- (361) **Portugal.**—Wishes to import all goods and accessories required in the boot and shoe making industries. leathers, soles, felts, rubber soles, buttons, eyelets and hoo's, etc.
- (362) **Chile.**—Importing regularly: Typewriters, calculating machines, cash registers, and accessories and parts for same. Buying on own account, but also seeking agencies.
- (363) **Sweden.**—Catalogues and price lists invited for all wireless materials and component parts, tools, and general hardware.
- (364) **Egypt.**—Wish to import and represent pharmaceutical articles. Correspondence in French.
- (365) **Haiti.**—Firm in Port-au-Prince seeks agency for all household goods.
- (366) **Iceland.**—All goods suitable for Iceland imported, and agencies taken over.
- (367) **Arabia.**—Seeks connection with manufacturers of roofing felt, bronze wire gauze, lathes and other machinery and tools for an aluminium and metal goods factory.
- (368) **Arabia.**—Cotton and woollen goods, silk and artificial silk goods, hosiery and general haberdashery lines required.
- (369) **Chile.**—Wishes to import motor horns, manometers, speedometers, and all other motor car accessories and fittings. Correspondence in Spanish only.
- (370) **Denmark.**—Seeks to represent manufacturers of wireless sets, component parts and accessories.
- (371) **Yugoslavia.**—Wishes to act as agent for manufacturers of all machinery and accessories required in the textile industry.
- (372) **Norway.**—Importers of bicycles and accessories, all sports goods, and motor car accessories, have their own motor car garage and repair plant.
- (373) **Norway.**—Wire gauze, wire netting, hoop iron, iron rods, cutlery, household goods, general hardware and furniture fittings wanted.
- (374) **Holland.**—Interested in all chemicals.
- (375) **Roumania.**—Woollen and cotton yarns, artificial silk, furnishings, hosiery, woollen and cotton goods. Agencies wanted.
- (376) **Roumania.**—Wish to import all chemicals required in the textile, leather and foodstuffs industries.
- (377) **Sweden.**—Advertising novelties bought for own account.
- (378) **U.S.A.**—Materials for motor car covers imported.
- (379) **Syria.**—Cotton and woollen goods, knitted goods, underwear for ladies and gentlemen, hosiery; agencies sought for Syria.
- (380) **Japan.**—Tokyo firm seeks connection with European manufacturers and dressers of artistic leathers, and makers of all accessories for the boot and shoe as well as leather goods industries.

(b) British Firms seeking Foreign Connections.

- (381) Exporters of motor cycles seek reliable agents in Natal, Cape Province, Durban, West Africa, Portuguese West Africa, Argentine, Portugal, France, Spain, Norway, Sweden, Holland, Belgium. Only agents with good connections in the motor cycle business should apply.

- (382) British manufacturers of an invaluable toasting machine and other labour-saving kitchen devices for hotels, restaurants, cafes and other catering establishments are anxious to appoint active sole-selling agents in Holland, Belgium, France, Italy, Spain, and Portugal. They must be well introduced with hotels, restaurants and all other catering houses. This line of toasting machine should prove a very remunerative proposition for any active and pushing agent to handle. Applicants should submit references and particulars of present activities.
- (383) London exporters of oils and greases (mineral) seek representative in Holland.
- (384) British pianoforte manufacturers are anxious to appoint well-connected agent in the Netherlands.
- (385) Publishers of two excellent British trade papers seek subscription and advertisement agents in Germany. Good commission offered. The two papers are unique in their world-wide appeal.

(c) Foreign Manufacturers seeking Agents in Great Britain.

- (386) Dutch shippers of all kinds of paper and board require direct connections with printers, publishers, stationers in South Africa, British India, Malay States, Ceylon.
- (387) German manufacturers of novel nickel-plated cigarette boxes seek live-wire representative in London and provincial centres. Correspondence in German preferred, but not essential.
- (388) German manufacturers and shippers of coffee essences and concentrated coffee cubes require agents in London, especially those connected with shippers to East and West Africa.
- (389) Bavarian manufacturers of an ingenious advertising (window-display) apparatus are open to appoint active agents throughout England.
- (390) Continental typewriter manufacturers are willing to appoint sole agents in Great Britain, Holland, Denmark, Sweden, Norway, Turkey.

(d) Stop Press.

- (391) **Portugal.** Desires to import cinematograph apparatus and films. Quality goods. Agency basis or buy on own account. First quality only.
- (392) **Status Enquiries.** British firm of highest standing undertakes enquiries and debt collections in fifty-three countries. No collection—no charge. Strictest confidence and integrity.
- (393) **Foreign Correspondence Clerk.** An Englishman having life acquaintance with German language, knowledge of Banking, Bills of Exchange, Export and Import methods, competent foreign correspondent, special experience of Hemp trade, seeks confidential appointment with good firm. Business Organisation Magazine recommendation.

Efficiency first



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your SALE ACCOUNTS
 your CONSIGNOR'S LEDGER
 and DAILY DISSECTION
 SHEETS

also your INVOICES with AUTOMATIC
 DAY-BOOK DISSECTION
 and finally
 SALES LEDGER and
 WEEKLY STATEMENTS
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THE KINGDOM OF NORWAY.

An Exclusive "B.O.M." Market Survey.

By C. W. FRERK.

FOR THE PROMOTION OF INCREASED ANGLO-NORWEGIAN CONCORD.

COMPACT FACTS ABOUT NORWAY.—**Area:** Mainland 323,795 square km., Islands and Possessions 65,550 square km., total 389,345 square km. **Population:** Mainland 2,731,619, Islands and Possessions 1,553; total population (1923 census estimates) 2,733,172. **Constitution:** Kingdom, hereditary Monarchy, Parliament (Storting) with Upper House (Lagthing) and Lower House (Odelsting). **Important Cities:** Bergen, Trondhjem, Kristianssand, Oslo (formerly Christiania), Stavanger. **Monetary Unit:** Norwegian Gold Kroner of 100 ore. At par Kr. 18.16 = £1, average rate 1926: Kr. 21.95, September 1927: Kr. 18 40.

GEOGRAPHICAL SITUATION OF NORWAY.

NORWAY (Norge) is a Kingdom of Northern Europe, occupying the Western and smaller part of the Scandinavian peninsula. The frontiers are in the East, Sweden; North, Russia, N.W.S. and S.E., the Arctic Ocean, Norwegian Sea, North Sea and the Skagerrack. Maximum length of the country, from S.W. to N.E., 1,100 m.; maximum breadth S 270 m.; length of coast line 1,700 m., including fjords 12,000 m.

Norway became an independent country, when the Svdo-Norwegian Union was dissolved in 1905. Considering the limited facilities for industrial and commercial developments in Norway, by virtue of her geographical position and topographical nature, the progress of Norway as an economic factor in Northern Europe, and in fact as a country of international economic importance, has been astounding. To Great Britain Norway is to-day one of the most potential markets in the whole of Europe, and general tendencies are such that British products meet with greater favour throughout Norway than the products of any other country.

Although conditions in the three Scandinavian countries vary to an extent which makes it imperative to treat each of these countries separately, where merchandising efforts are concerned, there is yet a very pronounced bond of friendship and co-operation between Norway, Sweden and Denmark; the three countries were brought

together more closely than ever during the world war, when all three observed strict neutrality.

During the war Norwegian industrial and commercial concerns were able to accumulate vast profits, but also incurred extravagant expenditure. Especially the shipping companies benefited by the general scarcity of tonnage on the part of the belligerent powers, new financial and industrial enterprises were started, and imports increased tremendously. At the same time, however, wages and salaries rose rapidly, and the cost of living increased greatly.

Import and sale of wines and spirits became a monopoly under Government control, which paid the shareholders 6%, the surplus going to public funds. Prohibition was introduced but cancelled by a referendum which took place on October 18th, 1926, when 527,000 persons voted against and 414,000 for prohibition. This decision is of considerable interest to the British whisky trade. The import of spirits is still in the hands of the wine and spirits monopoly.

AREA AND POPULATION.

The total area of the Norwegian mainland and the many islands numbering not less than 150,000, covers 389,345 square kilometres. Except in the South-Eastern part, Norway is mountainous practically throughout. These mountains and the numerous fjords along the coast line, of which the Herdangar Fjord is 114 miles deep, and the

Sogne Fjord 136 miles, are unique nature beauty spots and attract many thousands of visitors, especially British, American and German, every year.

13,892.8 square kms. are covered by fresh water (rivers and lakes); the area of unproductive land, including towns is 217,643 sq. kms. and that of productive land 92,257.5 sq. kms.

The islands of the Spitzbergen group and the Bear Island, which also belong to Norway, cover a total area of 80,000 sq. kms.

The census of population (official 1920) gives a total population of 2,649,775: 1,290,469 male and 1,359,306 female. The rural population was 1,864,371 and that of the towns 785,404.

There are 19,328 Laps, 7,309 Finns, and 2,814 Lap-Finns.

Area and population by administrative divisions:

Administrative Div	Population	Area, sq kms
SOUTHERN		
Smaalenene	136,187	1,600
Akershus	116,896	2,054
Oslo	229,101	65
Buskerud	112,743	5,789
Jarlsberg and Laurvik	101,003	896
Bratsberg	98,298	5,863
Nederns	75,929	3,608.5
Lister and Mandal	78,259	2,804
SOUTH-EAST		
Hedemarken	126,703	10,618
Christians	116,280	9,790
WEST		
Stavanger	125,658	3,530.5
South Bergerhus	132,687	6,024.5
Bergen	72,179	55
North Bergerhus	88,214	7,130
Romsdal	136,519	5,786
South Trondhjem	134,718	7,182
NORTH		
North Trondhjem	83,449	8,788.5
Nordland	150,637	14,513
Tromso	72,966	10,131
Finmarken	33,387	18,291

Norway is one of the most thinly populated countries in Europe; the coastal area is the most thickly populated strip of the country. The density in the Smaalenene administrative division is 85 per sq. m., in Jarlsberg and Laurvik the density is the highest at 112.7 per sq. m. The Northern area is to a large extent practically unpopulated; there are only a few thousand nomad Laps. The density in Finmarken is as low as 1.8 per sq. m.

The percentage of Norway's rural population is 76%, that of the urban population 24%.

The population figures for the principal Norwegian towns are the following:

	Census 1920	Estimates 1925
Oslo (Capital)	258,483	253,710
Bergen	91,143	97,495
Trondhjem	55,030	56,523
Stavanger	43,778	47,370
Drammen	26,204	25,800

Towns (all ports on the coastal strip) with a population of from 10 to 20,000 are: Christiansand (18,819), Frederikstad (14,670), Christianund (15,291), Frederikshald, Aalesund (18,312), Skien (16,170).

The percentage of Laps (mainly in Finmarken) is only about 1% of the population.

The excess of births over deaths is 14 to 1, and is above European average; the death rate is very low, so is the number of marriages, whereas the marriage age is comparatively high, as is also the percentage of longevity. The preponderance of females over males in Norway is 1,073 to 1,000. The mortality of males is higher than that of females, a fact which is put down to the dangers of the seafaring life which is followed by the majority of Norwegian working class males.

The Norwegians have a very pronounced individual character, they cling to ancient customs and practices (Midsummer Fire Celebrations, Wedding rites, single chamber wooden farmsteads, Viking type ships, etc.), and it is evident that such individual and characteristic psychology of the Norwegian people has a great influence on the appeal to be adopted in all merchandising efforts.

ECONOMIC PARTICULARS.

In 1907 the cultivated area of Norway amounted to 2,200,000 acres, consisting chiefly of small holdings (root crops, cattle).

Forestry is one of the chief economic factors in Norway; it is under State supervision and developed by the Norwegian Afforestation Association, which up to 1913 planted 104,000,000 new trees. The area covered with forests covered 28,422 sq. m. in 1917 or roughly 22.9% of the total area of Norway.

Exports of wood-pulp and paper products from 1916 to 1920 averaged 321,900,000 Kr. in value per annum.

Fisheries are playing an extremely important part, and the State revenues from fishing amount to over 100,000,000 Kr. per annum.

Fishing has changed from a purely coastal to a deep-sea trade; the capital invested in whaling is £2,500,000.

Mining is also of some importance; three-quarters of the output consists of iron ore and sulphuric pyrites.

Alongside the developments in agriculture, fishing and forestry, the period from 1897 to 1914 showed a great industrial and commercial expansion. The number of industrial workers rose by 100%, wages increased by 225%.

Imports from 1911 to 1913 rose from £26,000,000 to £30,680,000. Exports rose in the same period from £16,600,000 to £21,800,000.

Great Britain supplies most of Norway's imports, whereas Germany used to take most of Norway's exports. Unfortunately there are signs that this position will be reversed.

Norway's prosperity was continuous until the United States entered the war in 1917. 1919 a State Fishing Bank had to be established for safeguarding the fishing population, which was suffering very badly through the war, loss of tonnage through mines, etc., also lack of fuel.

Whereas in 1913 Norway supplied 78% of the world's whale oil, she supplied only 43.5% in 1918.

Matters became serious with the end of the war; exports dropped, imports increased, and the Kroner exchange weakened. The consequence was that a large number of the industrial and commercial concerns which were established during the boom years, closed down; 1,400,000 tons of Norwegian fleet were laid idle. The decided improvement set in with the beginning of the year 1925, although the too sudden and rapid appreciation of the currency did not fail to have serious effects.

SOME FACTS ABOUT NORWAY'S INDUSTRY AND AGRICULTURE.

800,000 people are engaged in agriculture. About 10,000 square kilometres of the country are corn fields and meadows. The fields are rather small and scattered, and not suitable for the use of machinery on the steep slopes. Hand tools and implements are in greater demand than the modern mechanical agricultural implements.

Harvests:

Wheat, rye, barley, oats

Potatoes 332,393.9 tons. 89.7 million Kr.
Hay 938,952.3 tons. 89.2 million Kr.
2,428,391.0 tons 230.7 million Kr

Conditions are very favourable for the pastoral industry.

Horses	183,887	Goats	275,783
Sheep	1,528,819	Pigs	252,959
Cattle	1,150,617	Reindeer	100,000

There are 520 dairies, cheese factories and condensed milk factories.

70,000 square kilometres of the country is covered by forests. Their value lies between 1,000 and 2,000 million kroner.

Timber exports 1926:

Planed wood	382,192 cubic metres
Round wood	154,040 "
Sawn wood	227,440 "

763,672 "

Production of cellulose, woodpulp and paper 1926

Cellulose	259,000 tons
Woodpulp	528,000 tons
Paper, cardboard	302,000 tons

The Norwegian mercantile marine comprises 4,000 vessels totalling 234 million gross tons; no

other country has so much tonnage per inhabitant as has Norway. Gross freights earned during 1926 amounted to 500 million kroner.

Norway is the largest supplier of fish in Europe. The value of catches landed in 1926 has been estimated at 85 million kroner. 120,954 hectolitres of cod liver oil, and 67,577 hectolitres of roes were produced.

The canning industry exported 37,000 tons to a value of 51 million kroner. The whaling industry turned out 660,000 barrels of whale-oil, valued at 75 million kroner.

By occupations the population of Norway is distributed as follows:

Agriculture and Forestry	36.0%
Industry	39.0%
Commerce and Transport	15.0%
Fishing	6.0%
Shipping	3.5%

Norway sends her exports: Germany 10%, U.S.A. 12%, Great Britain 27%, all other countries 50%.

Norway buys her imports from: U.S.A. 14%, Germany 20%, Great Britain 24%, all other countries 52%.

BALANCE OF TRADE

(Value in millions of Kroner)

Year	Imports	Exports and re-exports	Excess of Imports	Earnings of Shipping
1913	552.3	392.6	159.7=41%	218.6
1925	1,378.5	1,048.3	330.2=32%	481.5
1926	1,092.9	811.1	281.8=35%	500.0

NORWEGIAN INDUSTRIES.

Wood pulp, paper, electro-chemic and electro-metallurgical goods.

NORWEGIAN EXPORTS.

Paper, food products (fish, fish preserves), timber, oil, metals, mineral products. Total 1926: Kr. 811,127,754.

NORWEGIAN IMPORTS.

Textiles, cereals, produce, groceries, oils, coal and coke, foodstuffs, metal goods, fruit and vegetables. Total 1926: Kr. 1,092,938,000.

Norway exports to the following countries in order of importance: Great Britain, U.S.A., Germany, France, Sweden, Denmark; and imports from: Great Britain, Germany, U.S.A., Sweden, Denmark, Holland, Belgium, France.

The exporting industries are mostly connected with timber, spinning, weaving, paper, tanning, pottery, bricks and tiles, foundries.

Of the imports 58% are for consumption, and 42% materials for production.

COST OF LIVING.

The cost of living has continuously increased since November 1923 until March 1925 from 231 to 271 (July 1914=100). The recovery of the

kroner brought about a steady and welcomed decline, to 208 in February 1927, but it is still twice as high as in 1914, whereas the krone is only about 3.5 per cent below par.

MOTOR VEHICLES REGISTERED IN NORWAY (1926)

Taxicabs, omnibuses	3,939
Private passenger cars . . .	17,544
Lorries, delivery vans . . .	8,869
Motor cycles with side car . .	2,231
Motor cycles without side car ..	5,748
Total number of motor vehicles	38,331

It is calculated that in 1926 regular route services of motor cars covered about 58 million passenger-kilometres and about 2.4 million ton-kilometres.

TOURIST TRAFFIC AND COMMUNICATIONS.

Great Britain, America and Germany send the greatest number of annual visitors.

From England there are direct lines from Hull to Stavanger, Aalesund, Christiansund, Trondhjem; Newcastle—Stavanger, London—Oslo; also from Grimsby and Grangemouth.

There are daily steamer services from Oslo to all ports to Bergen, and during the summer there is a daily service as far as Trondhjem. In addition there are numerous small steamers serving the fjords and inner waters. The main travelling season lasts from June to September.

Norway has the lowest railway mileage, totaling only 30,603.2 kms., of which 3,235 kms. are State owned, and 368.2 private lines. These lines serve the South-Eastern part of Norway; there are lines North and South of Oslo, and four lines into Sweden.

The scarcity of railway lines is keeping up the stage-coach-posting system.

Norway is an ideal holiday country. Luxuriously-appointed passenger steamers, specially built for cruising in the narrow fjords of Norway, sail for thousands of miles in landlocked fjords and waterways, to which the swell of the Atlantic never penetrates.

Each day of the cruise brings fresh attractions; there are no "dead days." At Trondhjem the fjord country ends, although the larger part of Norway lies farther North. Between Trondhjem and the North Cape lies the land of the Midnight Sun, where the summer night knows no darkness.

But not only the fjord cruises are attractive—there are the quaint farmsteads and hamlets, the mountain peaks, highland scenery, glacier lands, snow-capped mountains, and the beautiful city of Oslo, the capital and largest city, 900 years old; founded by one of the Viking Kings, Harald Haardraade, in 1047.

HOW TO ENTER THE NORWEGIAN MARKET.

Norwegian importers, wholesalers and retailers prefer to deal direct with the foreign manufacturer; they will always avoid, if possible, the middleman, wholesale agents and so-called general merchants.

However, the Norwegian trader is very keen that the foreign manufacturer should have his own sales organisation and keep stocks and show-rooms in Norway, so that goods may be inspected and bought as and when required.

TRAVELLERS.

A traveller going to Norway requires an identity card, and must also apply for a Commercial Travelling Pass at his first stopping place, this pass costs 100 Kr. for every period of 30 days, and must be visaed at every new stopping place. Samples are exempt from duty, but a deposit may be demanded on entry, which will be refunded when samples are re-exported. Consignment stocks which some travellers take with them for sale on their tour, are subject to import duty and also to taxation.

TENDERS.

Invitations for tenders are published in the "Norsk Kungjorelsestidende," Akersgate 7, Oslo.

Manufacturers submitting tenders should preferably be represented or established in Norway.

It is futile to work Norway from any other Scandinavian place outside Norway, and Norwegian buyers will resent greatly being expected to buy from a so-called "Sole-Agent for the whole of Scandinavia," established in Stockholm or Copenhagen.

DIRECTORIES.

The "Norges Handelskalender" (price Kr. 54.00)

The "Norges Eksportkalender" (price Kr. 25.00)

STATUS ENQUIRIES AND COLLECTION OF ACCOUNTS.

Heffermehl & Co., Torvet 2, Oslo.

Christiania Oplysnings- & Inkassobureau, Nytorvet 5, Oslo.

Creditreformforeningen for Norge, Akersgate 16, Oslo.

These charge 1 to 2% on amounts collected, and if unsuccessful a small fee (Kr. 3 to 5) for postage and writing expenses.

FORWARDING AND STORAGE AGENTS.

Lassen & Co., A/S, Raadhusgate 5b, Oslo

Berg-Hansen & Co., Dronningensgate 2, Oslo.

AGENTS' NAMES OBTAINABLE FROM:

Import og Eksport Agenters Foreningen, Prinsgate, Oslo.

BANKS.

Den Norske Creditbank, Kirkegate 24, Oslo.
 Kristiania Bank of Kreditkasse, Torvet 7, Oslo
 Bergens Privatbank, Oslo and Bergen.
 Centralbanken for Norge (since 1923 State Administration), Oslo.
 Privatbanken, Trondhjem

LANGUAGES TO BE USED.

Preferably Norwegian, otherwise English, which is understood by most business men.

WEIGHTS AND MEASUREMENTS.

Metric and decimal system throughout.

PRICES AND TERMS.

Quote in Kroners; quotations in £ s. d. are, however, not objected to by large houses.

Norwegian houses generally pay very promptly, but are also very strict where times of delivery are concerned, they may even demand securities for adherence to promised times of delivery. 30 days is the usual period of credit granted; if payment is made before 30 days are over $1\frac{1}{2}\%$ to 3% discount are deducted from the amount of the invoice.

CUSTOMS.

Mostly specific duties (by weight and some by measurements); ad valorem duties for luxury goods. Goods not mentioned in tariff are subject to 15% ad valorem duty. Value for customs purposes is constituted by price and export dues (if any), plus packing, plus freight, insurance, etc., c.i.f.

Duplicate invoices required for customs purposes, but no consular invoices or certificates of origin required.

Goods sent in transit are exempt from duty

LEGAL ASPECTS.

Foreign judgments cannot be enforced in Norway by action on the judgment. A new action must be commenced, in which the original judgment is not received as "res judicata," but only as evidence to which some weight is attached but against which disproof can be heard, especially is such judgment is one delivered "in contumaciam" by reason of defendant having appeared or been represented.

LEGAL PRACTITIONERS WHO CORRESPOND IN ENGLISH.**BERGEN:**

Kristen Faye & Stian Ytterboe, Overretssagfører.
 J. Th. Munter, Tyskebryggen 6, Overretssagfører.

CHRISTIANSAND S.

Nicolay Eckhoff, Overretssagfører.
 Chr. Wallmick, Overretssagfører.

DRAMMEN.

O. Chr. Orning, Advokat.
 Olaf Berger, Overretssagfører.

OSLO.

Gunnar Mellbye, Overretssagfører Nedre Slots-gate 15.
 C. M. Hansen, Heber & Heber, Hiesteretsadvokater, Prinsensgade 26B.
 I. Haugan, Hiesteretsadvokater, Akersgaten 8.
 Harald Kjerschow, Prinsensgade 25.
 Alex. Nansen, C.B.E., Legal Adviser to H.B.M., Legation and Consulate, Akersgaten 35.
 Johnny Ramm & Harald Ramm, Tordenskjolds Plads 3.

STAVANGER.

Erling Aarstad, Overretssagfører.
 Hugo Parr, Overretssagfører.

TRONDHJEM

Collin-Hansen, Søndre Gade 13.
 Olaf Klungenberg, Nordre Gade 8.
 Asbjørn Lindboe, Overretssagfører.

PATENT LAWS.

Patents are granted to the actual inventor or his assignee for seventeen years, subject to the payment of annual fees.

An invention is not considered new if it is previously so far known in Norway that experts can carry it out, but the simple laying open to public inspection of applications in Norway or other countries is not deemed as "accessible publications."

Patents of Improvement may also be obtained

There is an examination as to novelty, and amendments are not infrequently required.

After acceptance of a specification the grant is open to opposition for eight weeks.

If the invention is not worked or placed on sale in Norway within three years, the Patentee can now be ordered to grant a licence to others to use the invention under certain conditions.

PATENT AND TRADE MARK AGENTS:

Bryns Patentkontor, Oslo, Tostrupgaarden, Karl Johansgate 25
 S. R. Thorsens, Patentbureau, Oslo, Karl Johansgate 41

Although the rise of the currency has seriously affected prices and market values, leaving manufacturers and importers with stocks on their hands, it is evident that the effects of the deflation will shortly have been overcome completely. There was in 1924 a marked increase of imports of raw materials over finished goods, as so many and various industries have been established during recent years. This position is again reversed, owing to increased foreign competition. There is now a growing demand for British textile manufactures, woollen and cotton goods in particular, also knitted wear.

Furthermore the trade in iron, steel and non-ferrous metals and metal goods is improving visibly. Hardware commands growing sales, so do chemicals.

The stabilisation of the currency enables British industries to compete very successfully, a fact which should give inducement to immediate action.

How to Advertise in Norway.

One-third of Norway's trade is with the British Empire, a fact which shows very clearly that British goods are in favour, that the Norwegians prefer to deal with British houses, that they take quality more than price.

Great Britain absorbs no less than 27% of Norway's exports, while of the total imports Great Britain supplies 24%. Another 10% of the exports go to the British Dominions which supply another 5% of Norway's imports.

Mr. H. J. Riege, the Manager of "Norway," a monthly review of Norway's Buying, Selling and Shipping, attended the recent Olympia Advertising Convention, as a Delegate of the Oslo Advertising Association. He gave the following hints for foreign advertisers, who wish to merchandise their goods in Norway:

Norway has about 2½ million inhabitants. Generally speaking they are scattered, but about one million people live around the Oslo fjords. The remainder of the population lives mainly along the coast.

The system of education is very highly developed. Illiterates do not exist; therefore, books, periodicals and papers have larger sales in proportion to the population than most other countries.

The critical sense of the people is well developed, and interests are very wide.

Prosperity, standard of living and occupation of the people vary greatly in different parts of the country. The most important occupations are fishing, forestry, shipping, agriculture, and industry.

Communications are good, although the railway mileage is comparatively low.

Oslo, the capital, occupies a very central position; it is a seaport and at the same time an inland town.

The sale of British goods is often hampered by the fact that the general agency is established in Denmark or Sweden. British manufacturers would soon perceive a difference in their Norwegian sales if they were to come into direct contact with Norwegian firms.

Do not attempt to sell direct to the consumer; only a Norwegian business man knows the psychology of the Norwegian people.

There are roughly 300 newspapers published in Norway, and in addition numerous weeklies and magazines, as well as trade papers. The largest

newspapers in Oslo have a circulation of from 70,000 to 100,000; some weeklies run up to 180,000.

As in most Continental countries there are practically no newspapers in Norway through which national advertising and distribution could be effected. As in Holland, Germany, and other countries, the local (provincial) press is of greatest importance. About 95% of the Norwegian press is really "local" in the proper sense of the word.

Dailies come first in advertising; then the illustrated and so-called family papers, and then, of course, poster publicity, etc.

The "copy" should contain concrete information, and not mere assertions. The fussy and other explanatory matter as we know it in British and particularly in American advertising is superfluous in Norway. Avoid sweet and sentimental "copy"; create confidence, talk quality and facts. Do not translate English "copy" into Norwegian. Have a Norwegian advertising man transform your appeal into one adjusted to the Norwegian mind. Give the whole campaign the Norwegian flavour.

Advertising is well developed in Norway. There are excellent advertising agencies, of which we may mention a few:

Annoncebureauet Pressen, Oslo
Heroldens Annoncebureau (Mr. Adler, Manager), A/S, Oslo.
Hydahl Olme Annoncebureau, Prinsensgate 7, Oslo (Mr. H. S. Egeberg).
A/S Reklames Annoncebureau, Prinsensgate 21, Oslo.
Fabritius Reklamebyrå, Vre Slotsgate 25, Oslo
Gumaelius A/S, Oslo.

The Norwegian Advertising Association has its headquarters in Oslo, where there is also the only Advertising School in Scandinavia. A special advertising monthly, "Propaganda," is also published. For the Olympia Advertising Convention the publishers of this magazine, in co-operation with the magazine "Norway," brought out a special number in English, dealing fully with Norway and Norwegian Advertising and Selling aspects. The Oslo Advertising Association is affiliated with the International Advertising Association, and with the Continental Advertising Federation.

The more important daily papers in Oslo are:

"Morgenbladet" (The "Times" of Norway), Stortingsplads 7, Oslo.
"Aftenposten" 51/53, Akersgate, Oslo.
"Dagbladet," "Morgenpost," "Tidens Tegn"

As local papers may be mentioned:

"Drammens Tidende," Drammen
"Bergens Tidende," Bergen.
"Bergens Aftenblad," Bergen
"Stavanger Aftenblad," Stavanger
"Sandefjords Blad," Sandefjord.

The best known illustrated and family papers are:

"Hjemmet," Oslo; "Vor Tid," Oslo; "Hjemmes Vel"; "Illustrert Familieblad," Apotekergatan 10, Oslo.

Periodicals:

"Norway" (Mr. H. J. Riegel, 5, Kristian-Angustsgate, Oslo.

"Norges Handels- og Sjøfartstidende," Kongensgate 7, Oslo.

Oslo papers charge about 40 to 50 öre per mm. line; provincial papers 15—25 ö c; the illustrated papers kr. 0.50 to 1.50 per mm. line.

There are numerous cinemas throughout Nor-

way. Advertising slides are exhibited at the cost of Kr. 600 p.a. per slide in the larger theatres; publicity films at Kr. 150 per week in the big theatres; and Kr. 50 per week in the smaller cinemas.

Illuminated gable and façade advertising signs are known in Oslo, Bergen and Trondhjem.

Tramway advertising is accepted in Bergen, Oslo, Trondhjem, Drammen and Kristiansand.

There is no advertising inside railway carriages, but posters are accepted for display at the railway stations, by the A/S Reklames Annoncebureau, Oslo.

A Paper with a Policy.

Here is an extract from the August editorial in "Transport Management," the new journal of industrial transport, which, under the editorship of J. A. Dunnage, F.C.I., A.M.Inst., and management of C. R. Taylor, F.S.S., F.C.I., makes bold claims:—

Our policy is as follows:—

First: To rouse transport men to the fascinating possibilities of their job and to assist them by the provision of technical instruction, the setting up of standards of merit, and the development of appointments bureaux and a private advisory service.

Second: To educate employers to appreciate the importance of employing competent transport men, of giving them proper freedom of action and permitting them to prove themselves assets instead of liabilities.

We believe, in a sentence, that British prosperity depends upon improved trade, which in turn will be materially aided by improved transport. We intend, therefore, to be amongst those who "go forward" from discussion to action—and we want the support of all business men who are out for progress and transport men who are ambitious to make something definite of their lives.

Very many friends, recognising the possibilities of the venture upon which we have embarked, have expressed anxiety as to the expenses attaching to this journal and how they were being met. It has even been suggested, with manifest sincerity, that many readers would feel still more drawn to our paper, and would be more active collaborators in the great work we have undertaken, were they given the chance to feel

that they were meeting their share of the costs.

Having considered the many aspects of the problem and consulted with leading colleagues in the profession, we have decided, therefore, that with its September issue "Transport Management" shall be launched as an independent journal standing, financially, upon its own legs and devoted wholeheartedly to the policy above outlined. There will be a further improvement in the journal's format, an increase in the number of pages, new and valuable special features which no keen man can afford to miss, and full information about the projected Industrial Transport Association.

In taking this step we count, of course, upon the support of every reader. We want you to become an annual subscriber. Though the journal will be on sale through the usual retail channels, by subscribing direct you ensure prompt receipt of the paper and all special supplements and greatly assist our publishing arrangements. We want you, also, to introduce your paper to at least one friend each month. We invite you to contribute articles on topics whereon you have special knowledge. We welcome your suggestions for special features in future numbers. We invite you, also, to place with us a share of your advertising appropriation. Ten thousand keen transport men form an excellent market whom you can very wisely approach through their own professional organ.

A complimentary specimen copy will be sent to "Business Organisation" readers who send a post card to

THE CIRCULATION MANAGER,

"TRANSPORT MANAGEMENT,"

17 WATER LANE, GT. TOWER ST.,

LONDON, E.C. 3.

ALL MANAGING DIRECTORS and other EXECUTIVE CHIEFS

should direct and
control their business
affairs by using

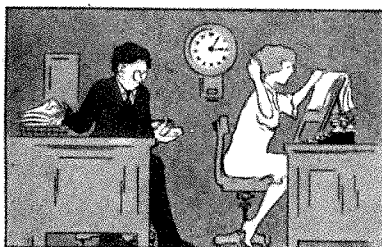


THE DICTAPHONE

"Into the Dictaphone and off my mind is my rule" says Mr. Woodbridge. "I turn into it everything of importance that comes up—on the 'phone, in conversation or in correspondence. I thus get an exact record while the subject is fresh in my mind."

WITHOUT THE DICTAPHONE

Old fashioned, roundabout methods are just a bad habit when a modern and direct method is available.



Mr. Stone (musing): "Now if only she gets those letters typed quickly . . ."

Miss Jenkins (thinking): "So many! Does he expect me to finish them all this afternoon?"

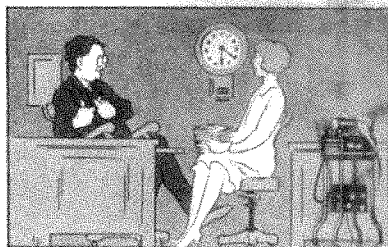
Delays, mistakes and overtime are inherent in the shorthand method. They cannot be avoided. Don't blame the shorthand writer: it is the SYSTEM that is at fault.

WITH THE DICTAPHONE

The modern Dictaphone habit is easy to acquire, speedy and direct. Moreover it is highly profitable in both time and money.

Mr. Stone: "Well, that Dictaphone certainly has helped out. Now I can catch the 4.50 train without rushing."

Miss Jenkins: "Thank heaven! All through—and only half past four!"



The Dictaphone because it is scientific, positive and direct, wipes out delays, mistakes and overtime. It gives you better CONTROL, eases your work, saves your time and money.

TEST FOR YOURSELF

on your own desk, FREE of all cost and obligation, the New MODEL 10 DICTAPHONE. The most perfect instrument ever devised for recording and reproducing the human voice. Write or 'phone (Regent 1460) to-day.

THE DICTAPHONE CO., LTD.

(THOMAS DIXON, Managing Director)

KINGSWAY HOUSE, KINGSWAY, LONDON, W.C.2.

Branch Offices—MANCHESTER, BIRMINGHAM, GLASGOW, LIVERPOOL, LEEDS, NEWCASTLE-ON-TYNE, CARDIFF

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Edited by FRANK TOZELAND.

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Notices.

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INTERNATIONAL SERVICE.

This is free to subscribers. Non-subscribers are charged 2/6d. for the Key. Stamped addressed envelopes should be sent in all cases.

CONTRIBUTIONS.

which are invited, must be fully educational and embody "Convertible Ideas." Only first-class matter accepted. Typescript essential, accompanied by stamped addressed envelope.

ADVERTISEMENTS.

Rates upon request.

Copy received later than the 20th of the month cannot be guaranteed proofs.

The submission of copy early in the month is strongly urged, to enable the Editor to give full effect to the policy of the particular service characteristic of the magazine.

CORRESPONDENCE.

Readers are invited to communicate with the Editor in connection with any article appearing in the magazine, and upon which they desire further information.

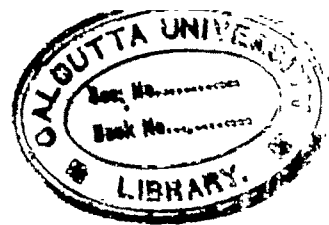
The Editor is willing at all times to assist subscribers in every way possible.

PROPRIETORS.

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Editorial Notes.

Co-partnership Arrives.

EVENTS are swiftly moving towards great changes in the management and control of industry, and as the next General Election approaches further important developments may be expected which will make the subject a first-class political issue. During the past few years public opinion has been slowly crystallising in favour of co-partnership as the only practicable policy which offers an alternative to disastrous and ever-recurrent industrial warfare. This view, it is significant to note, is not confined to this country, but has found expression throughout the whole world, and notably in America. British employers, as a body, have been slow to recognise the strength and possibilities of the movement, though there are many honourable exceptions, but to-day there is plenty of evidence of a fundamental change of heart. The spirit of conciliation is once more abroad. On the Labour side it was evinced in unmistakable fashion at the last Trade Union Congress. On the Employers' side it is being manifested in industrial conferences, in such meetings as that at the Mansion House last month, and in co-partnership developments. The latest of these is that which is to be applied to the 40,000 employees of Imperial Chemical Industries, Ltd. It is not too much to say that the remarkable scheme of co-partnership recently outlined by Sir Alfred Mond (details of which appear on another page) marks a definite turning-point in the social history of our time. This is no half-measure of industrial reform: it tackles the root of the problem with statesmanship and courage, and offers a noteworthy stimulus to those other large employers who now falter in the presence of the new conditions, hardly knowing what to do for the best.

* * *

A Great Political Issue.

WE have said that the question of industrial management and control is likely to become a first-class political issue. Let us attempt to show why. Unless the two great political parties are prepared to fold their hands and await in impotent despair the coming of another Labour Government pledged to Socialism, they must be prepared to offer trade

unionists an alternative policy generous enough to be attractive. Sir Alfred Mond happens to be a democratic Conservative, but whether his party will be prepared to go so far as he in the direction of industrial co-partnership is uncertain. If they follow Disraelian traditions they will come out boldly for it. The Liberal Party, it is well known, has a carefully prepared and very thorough industrial policy upon which they will rely for electoral support at the next General Election. Labour is deeply committed to Socialism, though many of its leaders no longer believe in it except as a mere abstract theory. At present Labour's very small voice in industrial administration is expressed mainly through Works Councils. Works Councils have come to stay, and the prospects are that they will greatly expand. Their progress is temporarily impeded owing to the intransigence of a comparatively few employers in each industry concerned who refuse to abide loyally by their decisions. But the way out of this dilemma is foreseen, and if it is the intention to rouse public opinion to the value of the Whitley Council movement, and to the manner in which it is being frustrated, then the step from optional to compulsory Works Councils may not prove quite so insuperable as it appears. By co-partnership and by a full development of Works Councils Labour is determined to have the share it demands in the management of industry. More and more employers, such as Sir Alfred Mond, have come to recognise that the demand is a just one, and are prepared to implement it in the direction he indicates, and thus to avoid the need for a policy of compulsion which is so alien to British character.

* * *

The Labour Future.

IN short, the possibility of regarding Labour, not as the discontented hireling of industry, yielding its services grudgingly and for ever planning revolt, but as the informed and willing partner, has of late come appreciably nearer realisation. It is not a dream, but something steadily taking shape before our eyes. And if by this means the squander-mania of industrial warfare is overcome this country will yet witness such an era of happiness and prosperity as it has never experienced before.

Sheffield Goods for the Colonies.

SHEFFIELD manufacturers are making a co-operative bid for more colonial trade. Through the agency of the Sheffield Chamber of Commerce they have arranged for joint representation at Dominion and Colonial trade exhibitions. Showcases, fitted with characteristic examples of Sheffield products, such as cutlery, small tools, drills, milling cutters, stainless steel, and other articles, and illustrating the processes of manufacture, are to be placed at the disposal of the Senior Trade Commissioner in each territory, and he will arrange for the showcases to be on view at every important exhibition. Full information concerning the various manufacturers will be available to inquirers. If the scheme proves successful in the Colonies, it is intended to extend it so as to include many other countries.

* * *

The British Typewriter Industry.

PREJUDICE dies hard, and the idea that British manufacturers could not make a typewriter to compare with the American writing-machine has been exceptionally long-lived. However, thanks to the Bar-Lock Company's enterprise a British typewriter has at last found favour with the multitude, and big business is being done at the company's factory at Nottingham. On the authority of Sir Ernest Jardine, chairman of the company, the New Zealand Government has decided to place contracts for all its typewriters in future with the Bar-Lock, and it is estimated that the value of these orders will be about £54,000 a year. Large orders are being received from the Crown Colonies, and it is expected that then the enormous stocks of American typewriters which were accumulated here during the war have been finally absorbed, the home demand for British-made typewriters will greatly increase. When, owing to the happy temerity of a salesman, the King was informed at an exhibition last year that the British Government used foreign typewriters exclusively, he expressed a not unnatural surprise. This was widely reported in the Press, and gave the lead to popular sentiment. Orders for British typewriters immediately increased, and the industry has since made rapid progress. The Bar-Lock works have been doubled to meet the demand, and the company, after many vicissitudes, is now a very successful concern.

* * *

The Call for a Safeguarding Duty.

ALL that is now required to put the British typewriter industry firmly on its legs is a safeguarding duty. The imposition of such a duty, justifiable even to many Free

Traders in helping to build up a new industry, need not be followed by any increase in the price of typewriters, which are already dear enough. On the contrary, there is reason to believe, that, as in the case of motor-cars, the duty would be followed by an actual reduction in typewriter prices owing to the economies which would be possible to British manufacturers. Assured of a market for a greatly increased output, they would be in a position to compete much more effectively with imported typewriters than they are at present. Sir Robert Jardine, speaking for the Bar-Lock Company, is prepared to guarantee that within a year of the imposition of such a duty they would be employing 2,000 additional work-people at Nottingham, and within two years 4,000. Meanwhile, it is surely time to bring home more effectively to the public the advantages of the British typewriter. Consistent and effective advertising is largely responsible for the fact that American typewriters are now so largely used in British offices. Manufacturers of the British article might well take a leaf out of their competitors' book in this respect.

* * *

Instalment Trading Condemned.

MR. A. M. SAMUEL, the Parliamentary Secretary of the Overseas Trade Department, made some remarkable references to the hire purchase and instalment trading system last month in an after-dinner address to the Luton Chamber of Commerce. After drawing attention to the fact that as a nation we had completed since the Armistice over a million houses at a total cost of over £600,000,000, he said we were doing our trade without the drug, the "dope" of the instalment system for increasing the sale of non-productive luxuries, which seemed to be part of the basis of prosperity in some other countries. He hoped the instalment system would never reach any great proportions in this country, and declared that whether in America or elsewhere if an unforeseen industrial or financial national setback should occur, disaster must overtake a manufacturing, distributing, shipping and financial system deeply involved in a method of trade in which the assets not only were of no reproductive value, but were wasting, and had not yet been paid for.

* * *

Over-Exaggeration.

THE protest is a notable one, but most people will consider it suffers from over-exaggeration. There are, it is true, certain symptoms of credit inflation in the present economic position of America; the wonder is that they have not appeared before after such an unprece-

dented boom, and it is by no means certain that the hire purchase trade is wholly responsible. In this country the system is spreading very rapidly, and undoubtedly helping the present welcome recovery of trade. Instalment trading enables the employee, as distinct from the employer, immediately to enjoy the benefit of the credit he has established as a sober, hard-working citizen, as no other system does. Much of the business represents the purchase of what are really necessities of a civilised existence. Moreover, a very large proportion of the million houses to which Mr. Samuel referred with legitimate pride would never have been built without the aid of what is after all merely a form of hire purchase. As we have already pointed out, an immense amount of manufacturing machinery is now bought on the hire purchase plan, and this surely is a reproductive asset. Houses and furniture, if not reproductive, are assets of a substantial character; and a good case could even be made out for the social and economic benefits of a wide use of the luxury articles, such as motor-cars and musical instruments, the production of which has so enormously increased under the stimulus of instalment trading.

* * *

Shipbuilding Revival.

OPTIMISM is returning to the shipbuilding industry after a long period of depression.

Recent statistics indicate a gratifying recovery from the effects of both the war and the coal stoppage, and the prospects of further improvement are bright. Double the amount of tonnage is now under construction in Great Britain and Ireland as compared with the total twelve months ago. The shipbuilding returns for the quarter ended September 30th last, as recorded in Lloyd's Register, and set out as under, are very striking :—

Quarter ended.	Shipbuilding under construction	
	United Kingdom Tons	Rest of the world Tons
December, 1926	760,084	1,172,943
January, 1927	1,216,932	1,352,932
March, 1927	1,390,388	1,450,157
September, 1927	1,536,416	1,537,641

The present totals are the highest since September, 1922. True, they are still less by some 354,000 tons than the totals of average tonnage under construction during the year immediately preceding the war, but this decrease, very closely corresponds with the reduction of 372,501 tons in the world total of shipping under construction on September 30th, as compared with the figure for June 30th, 1913. The British shipbuilding industry is thus maintaining its traditional world predominance, and as orders are now coming in freely, it is evident that our

shipbuilding yards are once again able to compete effectively with the foreigner. Motor shipping continues to make progress over steam. Of the shipping now under construction throughout the world the tonnage to be fitted with internal combustion engines amounts to 1,589,510 tons, as compared with a tonnage of steam vessels now building, amounting to 1,468,842 tons. In this country the motor tonnage under construction amounts to 653,342 tons, equal to 74.1 per cent. of the steam tonnage now being built. Shipbuilding is, of course, one of our principal basic industries, and its prosperity inevitably involves more prosperous conditions in many important subsidiary industries.

* * *

London Lectures in Salesmanship.

LEADERS will be interested to know that our able contributor, Mr Cunliffe L. Bolling, is giving a very successful course of lectures on advertising and salesmanship at the Regent Street Polytechnic. The lectures are regularly attended by some 200 students, most of whom are young fellows actually engaged either in advertising or as junior salesmen. At the conclusion of the lectures, questions are invited, and invariably interesting discussions arise. The success of this course is a refreshing sign of the eagerness with which practical instruction in salesmanship is sought at the present time. Similar good work is being carried on by Mr. Charles C. Knights at the Marylebone L.C.C. Evening Commercial Institute, and by Miss Gladys Burlton in a private course of lectures at the Burlton Institute, Manchester Street, W.

* * *

The Railways and Motor Road Transport.

THE railways have reason to be confident of the result of their forthcoming application to Parliament for general powers to operate road services. It is expected that each of the four companies will lodge separate applications before the end of the present month. The very significant reference made to the subject by the Home Secretary at the annual dinner of the Society of Motor Manufacturers and Traders last month makes it pretty obvious that the sympathies of the Government are with the railway companies. "If there is to be any increase in the facilities given to railway companies—and I think there is bound to be"—said Sir William Joynson Hicks, "that increase will place an enormous new burden on the roads of the country." It has been since pointed out that in thus indicating the probable course of Parliamentary action Sir William was merely expressing a personal opinion, but not too much attention need be paid to this

unofficial explanation. Sir William would hardly have spoken so definitely unless he had been pretty sure of his ground. Evidently the application is already practically a *chose jugée*, and commercial motor haulage companies must be prepared for a tremendous intensification of competition.

* * *

Attitude of the Public.

IT is of course unlikely that the now powerful road transport industry will yield its privileged position without a severe struggle, and the railway companies, who have been repulsed before in the attempt to secure powers to engage in motor traffic, will not make the mistake of taking matters too easily. There is a healthy body of public opinion still averse from increasing the power of any monopoly, least of all in so vital an industry as transport. And unless the Government tacitly takes the side of the railways it would be unsafe to prophesy the verdict of the Commons. There is undeniably a good deal of sympathy with the present economic position of the railways, and their apparent inability to earn an adequate return on their capital; but on the other hand many people feel that, road transport competition apart, railway management does not provide a shining example of the advantages of monopoly. The promised benefits of amalgamation are as yet largely unrealised; at any rate, by the public. Very unwillingly, and not without the goad of motor passenger competition, the railways reinstituted excursions on a larger scale this year, but they were far from comparable with pre-war facilities for cheap travel.

* * *

Electrification Possibilities.

MAIN line electrification is considered to hold out big possibilities of economies, but British railway enterprise in this direction compares unfavourably with that shown in Holland and Switzerland. There are prominent railway experts who still believe that the future of the British lines depends more upon a revival of the policy of cheap fares and main line electrification than upon any advantages which can be derived from a general participation in road motor transport. According to Mr. R. T. Smith, the President of the Institute of Transport, and an engineer half of whose career has been spent in railway service, estimates for main line electrification schemes in this country over long lengths of road show that the savings in working expenditure as compared with steam would pay on the cost of electrification from 5 per cent on fairly busy lines to as much as 12 per cent on lines fully worked with dense mineral and goods traffic throughout the 24 hours.

Prosperity of the Motor Industry.

THE success of the Motor Show calls attention to the remarkable progress which is being made by the motor industry. Motor licences have more than doubled during the past five years, and commercial motor vehicles have almost doubled. Sir William Joynton Hicks foretells that within the next five years these figures will again be doubled. Nevertheless, the field for expansion of output remains enormous. There are something over 600,000 private motor-cars in this country, or approximately one for each 42 persons. This compares with one motor vehicle to each 5.5 of population in the United States, 10.9 in New Zealand, 11.5 in Canada, and 16.6 in Australia. Evidently saturation point is a long way ahead. Naturally, the motor industry is in a very prosperous condition, particularly that section which manufactures commercial motor vehicles, which has completely recovered from the partial paralysis caused by the wholesale dispersal of military motor transport after the Armistice. As a whole, the British motor industry is to-day in a very high state of efficiency, and it is doing remarkably well, not only in the home market, but also in the export field.

* * *

Can Management be Taught?

"CAN Industrial Administration be Taught in our Colleges?" was the subject of an illuminating address last month at the inaugural meeting of the Pottery Managers and Officials' Association by Dr. James A. Bowie, director of the Department of Industrial Administration, College of Technology, Manchester. Dr. Bowie, who has frequently contributed to *BUSINESS ORGANISATION MAGAZINE*, answered his question with an emphatic affirmative, but drew attention to the unfavourable position in which the teaching of management stood in this country as compared with America and Germany. Industrial management, he said, was the prodigal among the professions. No other profession of equal intricacy left its recruits to "pick up" its arts by a process which was little better than mimicry. The two great faults in British management were secretiveness and unwillingness to learn. He suggested that the remedy lay in requiring managers to study management before they attempted to practise it, and declared that a systematic course in industrial administration would teach a man more in a year than he would learn in ten spent in the industrial scramble. The graduate entering industry should have the same facilities as the graduate entering commerce or public administration, and definite courses of study should be offered, possibly post-graduate, by our universities.

Manchester Shows the Way.

DR. BOWIE quoted Mr. Hoover's recent statement that the enormous industrial progress of the United States was due mainly to the emphasis placed on business education, and he pointed out that in 1924-5 the number of students receiving graduate education in business in the United States was 50,000, in Germany 15,000, while in Great Britain in 1925-6 there were only 950. About 100 American universities and colleges have schools or departments of industrial administration. He instanced the Harvard School of Business Administration—a graduate school requiring four previous years of college education—which included on its teaching staff 27 professors and a "field staff" of 30 full-time men engaged in the study of industrial problems in order to ensure that the school was kept fully abreast of industrial developments. In this country the movement was still young, but Manchester led the way when in 1918 a group of prominent business men promoted and largely financed a department of industrial administration at the College of Technology. Other centres had since taken up the movement, but Manchester still remained in the forefront. The courses offered included a one-year post graduate course leading to a university certificate in industrial administration, and a less advanced two-year course leading to the associateship of the college.

* * *

International Understanding.

ON another page in this issue we print extracts from a number of European journals—one British—commenting upon the International Advertising Convention held at Olympia last July. The observations are the reverse of complimentary. They pierce the most sensitive point of the armour of the national temperament—our sense of fair play. This journal yields to none in its solicitude for British commercial interests and pride in the Empire, but it is surely an unwise policy to create in the minds of invited guests, such impressions as those recorded, which represent but a sample of those expressed. Everything possible should be done to promote trade within the Empire, but is this any reason why we should offend those nations who are already our much-needed customers, and who take such a large proportion of our productions that their defection would bring us face to face with all but ruin? Fortunately, economic forces are such that it is not necessary to contemplate this contingency. But this is not enough. We hold

strongly to the opinion that through commerce lies the quickest and surest way to peace between nations. Nothing can exceed the quality of understanding engendered by commercial relations which exists between men of different nations who conduct business together. It develops much more quickly and lapses with greater reluctance than in any other sphere. For this reason it is essential that no accident shall besmirch its full and free expression.

* * *

Courtesy and Co-ordination.

THE charge of discourtesy runs like a scarlet thread through all the comments, and it is within our knowledge that more forcible comments were made at subsequent important gatherings on the Continent than were expressed in type. This should not be allowed to remain where it stands. Some action should be taken to remove the impressions created. As a community, business men have not deserved this, *nor can they afford it*, and whatever accident of circumstance has produced it, needs to be countered effectively. Moreover, it is bad business policy. It is well-known that some of our leading advertising agents have established themselves on a considerable scale on the Continent. They are too astute to do this without a corresponding degree of business resulting. The Federation of British Industries, by the courtesy of Mr. R. T. Nugent, invited the directors of industrial federations of the chief Continental countries to a private meeting in London on the 4th of October last. The whole of the discussions were in the direction of increased co-operation for the improvement of the common interest. The divergence between such actions and the impressions we have printed is too obvious to require comment. If any business man found two such analogous opposing forces in his own concern someone would soon be looking for a job. No firm could tolerate it and live. Why then should it exist in the larger sphere? We reply unhesitatingly that no reason can be assigned why it should. Co-ordination is as essential in the export world as in any private business, and it is in the direction of an extended promotion of a closer and better understanding with those who can and wish to purchase our goods that we must look for better business and a solution of our industrial unrest. The pages of this journal are impartially open for the discussion of this subject matter, together with the larger question involved. It is in the spirit of impartiality and concern for British reputation and business that we have made these remarks and printed the comments.



**Better Signs for Trade—What is needed to stimulate Industry—
The Financing of Recovery—Some Promising Investments.**

By OUR FINANCIAL EDITOR.

ARE we at the turn of the long hard road in British trade? This question is now being asked in Government circles and in the parlours of the great banks. I shall not attempt a full answer. But let us look at a few facts.

Undoubtedly the early autumn months of this year have been more fortunate than in any recent year. This has been due to a very simple fact, namely, the arrest of the decline of commodity prices in the United States.

Industry and trade always encounter their greatest difficulties when prices are falling. No one likes to adventure in manufactures if it seems fairly clear that by the time the goods have gone through the machinery they will have to be sold on a bad market. Hence, in such periods, actual manufacturing tends more and more to slow down to the amount of work necessary simply to fulfil contracts and to meet such hand to mouth requirements as are likely to come along.

For years world prices have been falling and they have fallen for a very simple reason. The United States has all along been the key to the situation. Having the only currency immediately convertible into gold in any amount she became the hub of the trade of the world. Her prices became the touchstone of world prices. She had two dangers to avoid. One was the danger of inflation in America; the other the danger of causing too much deflation abroad. On the whole she steered a fairly even course between this Scylla and Charybdis; but the con-

stant flow of gold to the United States made her difficulties greater. For as she stowed away this gold in isolation from her own credit situation she caused a fall in prices in the United States and that fall influenced all world prices downwards.

She had wealth in gold which she dare not use. The people who paid her the gold lost its use. Thus she was no better off for its possession and they were worse off for its loss. That is the secret of the depression of the last six or seven years.

This autumn the United States has altered its policy. For the convenience of Britain the Federal Reserve Bank of New York reduced its Bank Rate in such a way that New York would not attract money and the consequent flow of gold. Had the Federal Reserve Bank of New York maintained its Bank Rate at the level of ours the great probability is that the sterling exchange would have weakened and the Bank of England would have had to pay out gold in heavy quantities. This would have entailed a money and credit shortage in London and the country.

As a consequence of the central bank policy in New York prices in America have ceased to drop and have shown a tendency now and then to rise. Our own prices have remained steady, or very largely so. On the Continent prices show a tendency to rise. In a word, the great trading world prices are now approximating to those of Great Britain. Since we have lost trade

because our quality of goods could not be supplied at the falling prices, we may see in the present movement of world prices a great encouragement for our future.

Let us Give Thanks.

It is now becoming apparent that British trade has a great chance of recovery in 1928. Recent Board of Trade monthly returns have shown that the disastrous results of last year's industrial turmoil are being cancelled out. From many points of view the September trade returns were the best we have had since May 1926. Unemployment figures, though terribly high at 1,073,000 persons, are showing a decrease. The heavy industries and the electrical and chemical industries have improved; wool textiles report more activity; cotton is, however, not at all encouraging.

There is nothing, as yet, to be jubilant about; but when a patient is slightly better we give thanks and that is the position of British trade. It is by no means so bad as it was. Let us give thanks.

Pointers for Leaders.

I want very emphatically to say that it is in every man's power to help the improvement. We can all, whether workmen or employer, work our best. But the chief burden of keeping trade on the upward path must always fall on the men who direct industry and it is for them specially that I write what follows. There are two things in especial that they must do, namely,

- (1) Watch the banks;
- (2) Go out—and all out—for orders.

I feel, from a very considerable and intimate knowledge of the City and of industry, that watching the banks is a very necessary operation. All trade needs a flow of money and all increase in our trade can only be carried on by an increase of money. How seldom do business men remember this fact! Now the fount of new credit for new trade is the Bank of England and the Big Five. Unless the Bank of England will create the new credit the new trade will not be possible except at terrible sacrifices and the Old Lady of Threadneedle Street has already in the past six years weighed on the community in a terrible way. Like other old ladies she is headstrong and perhaps her own prosperity has prevented her seeing other people's discomfort. But she must be frightened by our industrialists as American reserve banks were frightened by their traders before the great boom,

The "Old Lady."

The way to frighten the Old Lady is to tackle your own banker. Make him see, if you have the business, that you must have all necessary monetary help to carry it through. Keep strict account with your banker and show him that you are worthy of his help. To do the ordinary banker justice he is the most reasonable man alive; he is just as much interested in and anxious about good trade as you are; perhaps he will be glad to have your help in convincing the dear Old Lady of Threadneedle Street that we are no longer living in the Eighteenth Century, which seems to be one of her settled delusions. Watch the banks—above all watch *the* Bank.

Restore the Spirit.

As to the going all out for orders it is pretty evident from reports from South America, the Baltic States, some of the Dominions and the Eastern parts of Europe that British firms are not sending out so many ambassadors and envoys of trade as they did in pre-war times. I know this to be true of Europe for I have tested the statement personally in Vienna, Latvia, Esthonia, Lithuania, Eastern and Central Germany and other countries. We need a new push into the centres of trade abroad. Our young business men should be sent out. Sons of the partners should make it their business to travel for orders. They must face hardship and not be like one young exquisite I heard of who was leaving Riga after two days because none of the hotels was as luxurious as he expected.

The Investment World.

For some weeks the Stock Exchange has been in a rash mood. Speculation has proceeded at a terrible pace. Anyone who a year ago had said British Celanese ordinary shares (10/- ones only) would touch £6 5s. od. would probably have been "sent to a home." But they did touch that. Other shares came in for speculation fever but not so markedly.

In these columns I have always very strongly advised the purchase of Babcock & Wilcox shares, Harland & Woolff First Preference, Fine Cotton Spinners, and the like. Any reader who bought these when I advised them would now have a profit of about 10/- per share on the first, about 5/- on the second and 6/- on the third. They are all good to hold still.

I should like this month to draw attention to several neglected shares or little known ones. A good many investors are looking for good investment trust shares. One I can thoroughly recommend is the Scottish and Southern Counties Investment Trust.

There are 5½ per cent Preference stock and Ordinary stock of this trust and the former is about 91 per cent. and the latter about 112. The trust commenced operations about a year ago. It has a fine and knowing directorate. Its stock is a thing to buy for some time ahead. In a word it is an investment.

I have a feeling that Anglo-South American Bank £10 shares £5 paid at round about £7. to £7½ each are one of the best bargains now offering in the investment markets. The recent report was extremely encouraging. But I base my own faith in the shares on the fact that the return of the South American republics to gold exchange standard not only promises well but indicates a good present business situation. This will benefit the bank.

From the point of view of management the Anglo-South American Bank is among the best of such institutions. In the days of difficulty its skill has always earned a good dividend for its shareholders and a bank that can do that in countries where the currency is wobbly and fluctuating can do better when they are, as now, stabilised. I regard Mr. R. J. Hose, the chairman of the bank, as easily being among the most able and best informed bankers of the City of London. Here again I don't advise buying the shares for quick speculative purposes but as an investment. It would not be right to regard a good bank share as a thing which should move with every speculative gust as air.

Finally let me suggest a speculation in Allied Sumatra Rubber shares. Here you have a great rubber company whose interests are not tied only to rubber though that is the main one. Its finance is not inflated and it has shown that it knows how to use its resources well. The shares at anything up to 25/- (they are 20/9 at the time of writing) are worth buying. The thing to do is to get hold of them and put them away for the day when rubber comes back to a healthy stocks position. One day they will see 30/- each if not more.

America's Gold.

Mr Geo. E. Putnam, Economic Adviser to Swift and Co., Chicago, has written a pamphlet, in which he declares that the measures taken to prevent inflation in America have merely postponed and aggravated the difficulty. According to this view, the sterilising of gold, tariff walls, and the forcing of deflation on other countries have combined to make the payment of War Debts so difficult that America must now choose between payment in goods or foregoing payment altogether.

An interesting view from America.

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Income Tax Law.

By F. E. SUGDEN, A.C.I.S., *Barrister-at-Law.*

It has been pithily remarked that Schedules A, B, C and E of Income Tax are important but a man has to live with Schedule D. Exactly. For this reason we requested Mr. Sugden to deal with this aspect of Income Tax Law in considerable detail. The analysis will be continued next month.—ED.

IN the previous articles on this important subject reference has been made to the provisions of Schedules A, B, C and E. It is now proposed to deal as exhaustively as possible with the provisions of Schedule D, which has been so considerably altered.

Schedule D scope.

The scope of this Schedule is limited to such description of property or profit as is not included in other Schedules. How are profits classified under this Schedule, or in other words, what incomes are taxed under this Schedule? The annual profits or gains chargeable under the Schedule may, subject to these limitations, be divided into the following heads. There is first those accruing to any person residing in the United Kingdom from any property whatever, whether situate in the United Kingdom or elsewhere, or from any profession, trade, employment, or vocation, whether carried on in the United Kingdom or not.

At this stage there are now important alterations, namely: In the "Income Tax Year" of 1926-1927 the assessment is based on the average of three past years, but when the "Income Tax Year" is for 1927 and 1928 and so on the income will be calculated for the purposes of assessment on the preceding "Income Tax Year" income. If there is no previous period on which to base the assessment the Inspector of Taxes may define the period in question.

The term trade, manufacture, etc., also includes such trading operations carried on by municipal corporations for which money is received, notwithstanding that the profits derived are not distributed among individuals.

There is the difficulty, namely, what constitutes residence in order to make a person liable under this heading? Of course if a person permanently resides in this country there is little difficulty in deciding this problem, but where a person "is a bird of passage" then the legal

rules must be resorted to. In accordance with the Income Tax Acts a person who is in the United Kingdom for a temporary purpose only and who has not actually resided in England, etc., for a period equal in the whole to six months in any one year such person is not liable to pay tax under Schedule D.

It is important to note that an individual partner in a business exclusively carried on abroad, in which he (the partner) takes no active part, even although this particular partner is resident in England, etc., is not liable to pay Income Tax upon his entire share of the profits of his business under the particular heading (case one) at present under consideration.

The perplexed company officials naturally ask the question: what constitutes residence in the case of a corporation? The residence of a corporation depends not upon the place of registration but upon where the central management and control in fact abides, that being the place where the real business is carried on. This test also applies to foreign companies and corporations.

Taxation of Partnerships.

The next question to be considered is, how are partnerships to be taxed? In the case of a trade or profession carried on by two or more partners, the partner having precedence, i.e., the partner mentioned singly or with precedence in the partnership agreement, this particular partner is to make the return required by the Act in respect of the entire profits of the firm, if he be an acting partner and resident in the United Kingdom.

An English company which carries on business in this country pays the duty upon its profits before declaring a dividend and is then entitled to make, out of such dividends, a proportionate deduction thereof off the dividend declared.

Frequently difficulties arise when there is a change in a partnership, therefore, what is the

law on this point? There are two aspects to this problem, namely, changes occurring before 6th April, 1927, and changes taking place after this date. As we will remember, the three years' average system still operates until April 1927 unless some specific cause is proved occasioning decline in aggregate profits since the change.

Fisher v. Dare.

It is worthy of note the law contained in the undermentioned case, namely, *Joseph Fisher & Sons, Ltd. v. Dare* (H.M. Inspector of Taxes). In this case a company, which was incorporated on the 29th March, 1919, to take over the business of a shipbroker and coal merchant, was assessed to Income Tax, Schedule D, for the year 1922-23 on the average of the profits of the business for the three preceding years ending the 31st Oct., 1921.

The profits of the trading year ending the 31st October, 1922, were less than the amount of the said assessment, and the company claimed an adjustment of the assessment under Rule 11 of Cases I. and II. of Schedule D (the specific cause alleged being payment of director's salary, etc.).

The aggregate profits since the succession for the 3½ years to October, 1922, however, exceeded the aggregate assessments for that period, and also exceeded the aggregate profits for the 3½ years immediately preceding the succession, and in these circumstances the Special Commissioners decided that the profits had not fallen short since, or by reason of, the change, and confirmed the assessment. The Court held that the profits of the company had not fallen short within the meaning of Rule 11 of Cases I. and II. of Schedule D so as to entitle it to an adjustment of the 1922-23 assessment. Schedule D, Cases I and II, Rule 11 of the Income Tax Act, 1918, reads as follows: "If within the year of assessment or the period of average upon which the assessment is to be based a change occurs in a partnership of persons engaged in any trade or profession, by reason of death, or of dissolution of the partnership as to all or any of the partners, or by the admission of a new partner, or if any person succeeds to a trade or profession, the tax payable in respect of the partnership, or any of the partners, or of the person so succeeding shall be computed according to the profits or gains of the trade or profession during the respective periods prescribed by this Act, notwithstanding the change or succession, unless the partners or the person succeeding to the trade or profession prove to the satisfaction of the commissioners that the profits or gains have fallen, or will fall short from some specific cause, to be alleged to them, since such change or succession took place or by reason thereof.

Owl Mill Co. (1920) Ltd., v. Croft.

There is also the case of the Owl Mill Co. under the same rule where the Court held that in ascertaining whether there has been a decrease of profits within Rule 11 a comparison must be made, not between the assessment for the year of assessment and the profits for that year, but between the assessable profits for the period since succession and the actual profits for that period.

Elliott v. Duchess Mill, Ltd.

Also under Rule 11 there is the case of *Elliott v. Duchess Mill, Ltd.* The Court held that where there has been a phenomenal trade depression affecting the individual, this amounts to evidence on which the General Commissioners of Income Tax may hold that there has been a specific cause within the rule.

Further in reference to partnership changes for the purposes of Income Tax. No relief is allowed when the diminution of profits found to be in fact due to general causes other than the specific cause alleged.

Stewart and Young v. Walker (H.M. Inspector of Taxes).

In proof of the above assertion there is the case of *Stewart v. Walker* where a change in the constitution of the appellant firm (Stewart, etc.), who are manufacturers of confectionery, occurred on the 1st January, 1923 and on the 31st December, 1923, the concern was converted into a limited company.

The appellants claimed relief from Income Tax for the years 1922-23 and 1923-24 under Rule 11 of Cases I. and II., Schedule D of the Income Tax Act, 1918, on the ground that their profits for the year ending 31st December, 1923, had fallen short from the following specific causes: (a) an increase in the price of sugar (the principal raw material of the business) owing to (i) the American Government's intervention in the Cuban sugar-growing industry, leading to short supplies, (ii) the formation of a speculative ring in New York, and (iii) the curtailment of alternative beet sugar supplies from Europe in consequence of the French invasion of the Ruhr, and (b) an increase in bad debts owing to the failure of newly-established confectionery traders who were inexperienced in the business.

The Special Commissioners dismissed their appeal, finding, on the evidence before them, that the true cause of the falling-off of the profits of the business was a diminished turnover combined with a comparative growth of expenses other than purchases, and that so far as the circumstances relied on by the appellants contributed indirectly

and in a minor degree to the falling-off of profits they were not specific causes within the meaning of Rule 11.

The Court held (i) that a "specific cause" within the meaning of Rule 11 must be a clearly identifiable exceptional circumstance, beyond the ordinary fluctuations of trade, which can be established as the substantial cause of the falling-off in profits, and (ii) that while an extraordinary rise in price of raw material and in the growth of bad debts might be "specific causes" within the meaning of the Rule, nevertheless, in view of the findings of the Special Commissioners, which there was ample evidence to support, the circumstances relied on by the appellants in the present case were not "specific causes" within the said Rule, inasmuch as they were not the substantial cause of the falling-off of the appellants' profits.

Relief is usually given (on application) by adjusting the assessment for each of the three years following the change to the actual profits. But the Income Tax Authorities cannot charge more than Tax on the average should the profits exceed it. In accordance with Rule 9, Schedule D, Cases I. and II. of Income Tax Act, 1918, the assessment of the year of change may be split equitably between the partners. Even when the vendor kept no accounts, the purchaser has a definite right to the old average.

Ogilvie v. Barron.

In proof of the above assertion there is the case of *Ogilvie v. Barron* in which in October 1920 Ogilvie purchased on hotel as a going concern. The previous proprietor had not kept books, had not submitted accounts for the purposes of assessment, and had been assessed in estimated amounts. Ogilvie kept books and rendered accounts, but for the year 1921-1922, before his accounts for the year to 30th September, 1921, were available, he was assessed in an estimated amount of £350. His profits for the two years to 30th September, 1922, proved to be £1,176 and £588 respectively. An additional assessment was thereupon made upon him, viz., £826 for 1921-22, and an assessment of £1,176 was made for 1922-23, so bringing into assessment for each of the two years the profit of the trading year to September 1921. Ogilvie contended that he had succeeded to the business and was entitled to the three years' average; and that the Commissioners, in ascertaining the average profits, should have regard to the assessments which had been made on the vendor and had become final and conclusive. The General Commissioners decided that Ogilvie had succeeded to the business but that he should be assessed not on the basis of the average of the three preceding

years but on the basis of the profits actually made by him for the two years to September, 1922. They reduced the assessment to £882 for each of the years 1921-22 and 1922-23.

Ogilvie appeal to the High Court on the ground that the Commissioners had not followed the basis of assessment prescribed by the Statute.

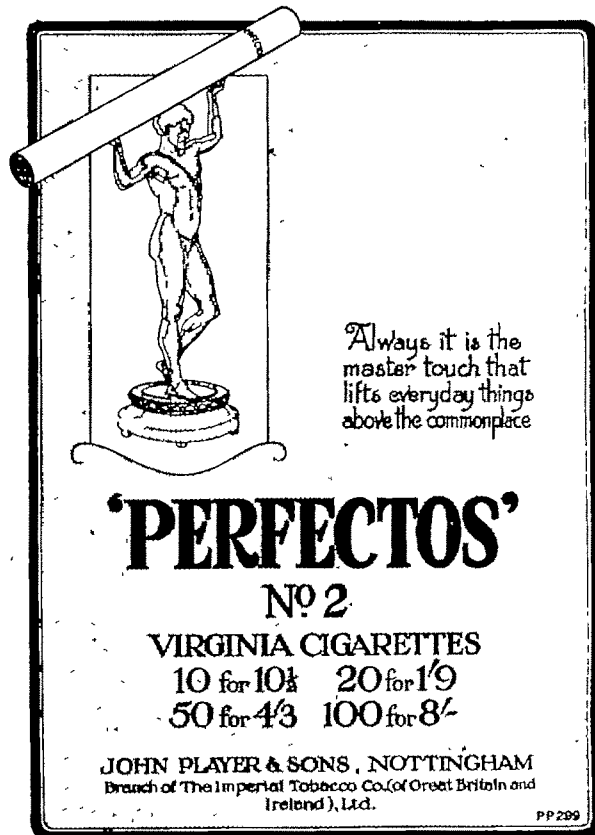
The High Court held that Ogilvie, having succeeded to the business, had the inalienable right to be assessed upon the basis of the profits of the three preceding years. The case was remitted to the Commissioners to apply their minds to the problem before them, and to estimate the amount assessable accordingly.

(To be continued.)

My Lady Nicotine.

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Anticipating the present-giving season, the manufacturers of Player's Navy Cut Cigarettes have introduced a very tasteful packing which is likely to make a wide appeal. This takes the form of decorative tins containing 50 and 100 Cigarettes retailing at 2/6½ and 4/10 respectively. They will ornament any study or dinner-table and their contents are sure to please.



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PP209

America's Balance of Payments.

Possibilities of an Import Surplus.

By FRANCIS WHITMORE, B.Com.(Vict.).

AMERICA'S prosperity is the envy of the world. While Europe painfully drags itself to its feet after its four-and-a-half years' orgy, American productivity leaps forward in an almost unbroken progress. So steadily indeed has the upward movement proceeded that economists have been constrained to revise what had come to be looked upon as orthodox views about the trade cycle: the growth of production has been so rapid as to furnish the basis of new economic theories. So it is that every arrival at Liverpool and Southampton brings new tales of "America the Golden."

Yet it seems true to say that popular ideas in this country about America's economic position are based on the knowledge of a few dominant and indisputable facts. We know that America is lavishly endowed with natural resources, and that she holds one-half of the gold stocks of the world; collects annually a vast volume of debts; enjoys a material standard of living considerably higher than that of any other nation.

We know, too, that America has recently become a lender on a very large scale, and that both her commercial and her credit policy have now assumed a vital importance to the rest of the world.

Like most popular ideas, this conception of America as the modern Eldorado, although often exaggerated, contains a large measure of truth. At the same time, it is too vague and too crude to suggest new lines of thought. It is not sufficient merely to know that America is a great creditor nation: it is important to consider what are her principal incomings and outgoings; in other words, the composition of her annual balance of payments. Only by so doing is it possible to gather indications concerning the probable future trend of trade relationships between the United States and the other countries of the world.

The performance of such a task is made possible by the official surveys of America's balance of payments now made each year by the Department of Commerce. With their usual zeal in the compilation of economic statistics, the American investigators give us something far more detailed

than the similar study made in this country by the Board of Trade. Some of the itemised sections of the American survey are of extraordinary interest to observers on this side; but before considering these detailed studies it may be well to set out in epitomised form the figures just issued by the Department relating to 1926 and preceding years:—

U.S. BALANCE OF PAYMENTS. (Millions of dollars)				
Credits				
	1920.	1924.	1925.	1926
Excess of merchandise exports	2,950	970	666	426
Excess of silver exports	129	36	168	22
Net interest on foreign investments	50	464	515	688
Miscellaneous current items	—	—	75	167
Foreign loans paid off	571	45	140	470
Net ocean freight payments	93	8	—	—
Miscellaneous capital credits	—	23	27	67
Sales of securities to foreigners	—	319	411	398
	3,793	1,865	2,002	2,138
Debits				
Net bullion imports	50	308	62	138
Ocean freight payments	—	—	8	62
Net tourists' expenditure	130	500	560	646
Investments abroad	1,441	909	1,010	1,357
Net immigrants' remittances	700	355	360	333
Miscellaneous invisible items	305	5	5	111
	2,650	2,077	2,005	2,647
Credit or debit balance	+1,143	—212	—3	—509

In the above estimates there is a margin of error of 150 million dollars—about 5 or 6 per cent.—no more than a moderate margin when such enormous figures are being dealt with.

GROWTH OF INVISIBLES.

From the above table it will be seen that the favourable merchandise balance has dwindled from the huge figures of the post-war boom period, but at \$426,000,000 it is still considerable. Far more striking, however, as Mr. Hoover points out in a foreword to the Department's survey, is the pronounced growth of various invisible items. "Our foreign trade," Mr. Hoover writes, "is

now in an era of big invisibles." One need only look at the statistics reproduced above to confirm Mr. Hoover's statement. The year 1926 has set new high records in all of America's largest invisible items of trade: investments abroad, tourists' expenditure, and the yield of previous foreign investments. The first two items, which operate on the debit side of the account, not merely offset, but far surpass the favourable merchandise balance. On the other hand, invisible items, such as the yield of previous foreign investments, operate on the credit side. After estimating the amounts of securities and of direct investments abroad resold to foreigners by American visitors, and considering purchases of foreigners of American stocks, bonds, and other properties, the Department of Commerce concludes that America's net growth as a creditor nation during 1926 was no more than \$557,000,000. Nor does this figure allow for the very heavy increases in the foreign deposits held by American banks.

IMPORT SURPLUS POSSIBILITIES.

In view of the rapid growth of the invisible items, an important result follows—that it is no longer possible to judge America's international trade position even approximately by the balance of merchandise trade and gold movements. In particular, the heavy volume of investments abroad has upset numerous predictions of the future trend of America's trade.

There are some observers who maintain that the time will soon come when America must enter a period of constantly unfavourable trade balances. Briefly, their argument runs as follows:—In its early stages of development America invested in domestic production not only its own savings, but heavy sums borrowed from abroad. In short, America was a debtor country. During this period America had unfavourable trade balances, since foreign borrowings could be received only in the form of merchandise imports. During and immediately following the war America became a great creditor or lending nation. This period, it is urged, has been a period of favourable trade balances, because the heavy foreign loans could be effected only by the export of goods. But to-day these observers maintain that America is in a transitional stage, the decline in the favourable goods balance being the counterpart of the rise in the annual return on investments abroad, which promise to exceed the year's volume of new investments.

According to this school, which includes such prominent men as the president of the National City Bank of New York, an era of constantly unfavourable trade balances will set in when the

yield of America's foreign investments actually does exceed the volume of new investments abroad.

On this exceedingly interesting question, the answer to which is clearly fraught with great significance to European trade, the Department of Commerce discourses at some length. On the whole, it is disinclined, on the basis of its analysis, to concede the inevitability of an import surplus under the conditions just outlined. Although it is admitted that creditor countries, such as Great Britain, are, as a rule, countries with an unfavourable goods balance, certain differences between the United States and Great Britain are pointed out which affect the relative international trading position of the two countries.

Bringing out the contrast, the report states:—

"The invisible items of that country [the United Kingdom], however, bear little resemblance to our own; in particular, certain of our invisible imports are much heavier. Americans in the aggregate spend more on foreign travel and contribute more to foreign missions and charities. . . . As foreign investments in the United States are probably greater than foreign investments in England, we probably have a heavier invisible import in the form of stock and bond dividend payments. Again, the net income from British shipping and the income to British bankers on account of short interest and commissions—invisible exports—are apparently heavier than the corresponding items of our balance of payments. If our large invisible imports should expand as rapidly as the income from our foreign investments, our favourable balance of trade might continue indefinitely."

To many that will seem a cautious prognostication. Possibly a more realistic judgment may be formed by looking rather to the actual position of those countries with which America does business. It is evident that other countries have been able to pay the United States for its services because America has placed its own funds at their disposal. Looking to-day at the position of some of the heaviest borrowers from the United States, such as Germany, it seems unlikely that they can continue to operate on their present basis without a substantial increase in exports. Up to the present Germany has punctually discharged her obligations under the Davis Scheme, but only by borrowing on a considerable scale. That is a process which cannot go on indefinitely; the only permanent source of payment must be a real export surplus. Only by expanding her exports in such a way as to create a surplus available to meet her special external obligations under the reparations scheme can Germany hope to recover and become a sound credit risk. Inevitably the process of export expansion among America's

debtors must put pressure both on the American market itself and on the markets in which American traders sell their goods. The more America lends and increases the interest charges due to her, the greater that pressure is sure to be. Already there are signs that America is shaping her credit policy in such a way as to ease the strain on Europe's resources. In the writer's view, there is every likelihood that a revision of her tariff policy will become essential in her own interests before many years have passed.

AMERICA AS SHORT-TERM DEBTOR.

It is impossible within the limits of this article to deal with all the mass of detailed information which the Department's survey provides, but one other point deserves attention. It is that along with its great expansion as a long-term creditor nation, the United States has become a great short-term debtor nation—a deposit-holding nation. The Department admits that the problem of computing the amount of such deposits, which are of almost infinite variety, is a difficult one, but estimates that at the end of 1925 foreign investments in America, exclusive of foreign accounts in American banks and of holdings by aliens resident in the States, were about \$3,000,000,000, on which the average interest return during 1926 was about 5 per cent., on \$150,000,000.

To arrive at the amount of short-term investments is a still more formidable task, and the Department refrains from attempting any estimate of an aggregate. The funds flow backward and forward through the ordinary channels of foreign exchange, and are in a more or less constant state of flux. As a result of a questionnaire sent out to banks asking these institutions to indicate how much they owed to foreigners, and how much foreigners owed to them on account of unfunded items at the beginning and at the end of 1926, the following comparative tables have been drawn up:—

DEPOSITS, LOANS, ETC., FROM FOREIGNERS

	At close of	
	Dec, 1925	Dec, 1926.
Total deposits (time and demand) with foreigners	\$307,000,000	\$327,000,000
Total loans and advances (including overdrafts) to foreigners	592,000,000	682,000,000
Short-term investments made abroad by foreigners for American banks' or their customers' account	87,000,000	80,000,000

DEPOSITS, LOANS, ETC., DUE TO FOREIGNERS.

Total deposits (time and demand) of foreigners with American banks	\$1,108,000,000	1,443,000,000
Total loans and advances to American banks by foreigners	448,000,000	348,000,000

Short-term investments made abroad by American banks for account of foreigners 288,000,000 419,000,000

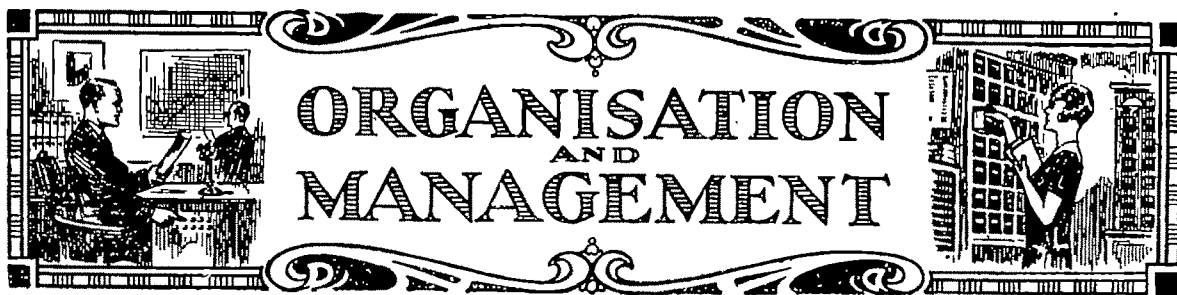
It will be seen that last year there was a small net increase (about \$43,000,000) in America's unfunded credit balances abroad, while on the other hand sums due by American banks to foreigners increased by about \$402,000,000. Hence the estimated net change is an increase of foreign deposits in American banks, plus short-term money market investments, over similar items on the other side, amounting to \$359,000,000.

The outstanding feature of the above figures is the huge volume of foreign deposits in American banks which they disclose. In great part this must be attributed to the growing practice among central banks of holding large amounts of liquid assets in gold standard countries, and more especially in the United States.

The significance of this development was brought out in the annual report of the Federal Reserve Board for 1926, in which it is stated:—

"These dollar balances of foreign central banks, whether they are invested or kept on deposit, are in liquid form and subject to immediate withdrawal at any time. If they were to be withdrawn in gold in whole or in part the demand for the gold, though it would first be felt by the commercial banks, both member and non-member, would probably reach the Federal Reserve banks as the only holders of gold in any considerable amount. These balances are, therefore, potential sources of demand upon the Federal Reserve banks for gold out of their reserves, the central banking reserves of the United States, which have become indirectly a part of the reserves against bank credit and currencies in other countries. The existence in America of these foreign balances consequently presents a condition in the banking situation to be taken into account in determining the Federal Reserve system's credit policy with a view to maintaining the country's banking system in a position to meet demands for gold from abroad without disturbing business and credit conditions in this country."

Whether any serious pressure on America's gold stocks is likely to be felt from this source it is at present impossible to judge. On the one hand, there have been signs during recent months of a tendency in the case of some central banks, notably Austria and Hungary, to break away from gold-exchange standard working, though the demand for gold has so far fallen on this country. On the other hand, there is the reasonable expectation that educative forces will tend to preserve the gold exchange standard principle, especially if the need for economising the world's gold becomes more urgent.



Statistical Control.

By JOHN CROYDON.

Control by statistics is destined to supersede, very largely, business control by other methods. In the very nature of things it must be so. It is an indisputable fact that by no other means may the essential information be obtained which will enable the executive head of a large business to function as intelligently and as efficiently as he should.

IT was emphasised in the first article in this series that having ascertained, by means of departmental trading accounts, which sections of a business apparently are either entirely unremunerative, or are not showing a sufficient margin of gross profit, it becomes necessary to concentrate upon such departments in order to find out the reason why.

TRADING ACCOUNT FIGURES SOMETIMES UNRELIABLE.

The first step in this further investigation is to satisfy yourself, beyond the possibility of doubt, as to whether or not the rate of gross profit shown in the departmental accounts is *the percentage which is actually being made*. This may be done in the following way. Take the sales for a week, a fortnight, or a month; or, if preferred, take three or four separate weeks at random, at intervals during the period under review, and have them costed. The cost figures should then be totalled, and if the total cost of the sales over a period be compared with the sales total, and the percentage of profit in relation to selling price be worked out, it should compare, approximately, with the percentage of gross profit shown in the departmental accounts; that is, of course, provided the period of sales which has been costed is fairly representative of the whole, and provided, also, that prices have remained stable.

In order to illustrate this I will give a typical case from my own experience. The department under notice at the time was a comparatively small one, with an annual turnover of some £8,500. It was estimated by the management that this department should be making something over 25 per cent. gross profit; but the departmental accounts showed only 21.93 for the last accounting period. The estimate of 25 per cent was only approximate, and was arrived at by ascertaining the percentage of gross profit which should be made on a number of the leading lines, adding these percentages together, and dividing by the number of products dealt with. Admittedly, this was a very rough-and-ready way of calculating, and it was recognised that perhaps a much larger proportion of goods at a small percentage of profit was being sold than had been calculated upon.

In order to ascertain whether or not this was so, the obvious course was to find out what percentage of gross profit was being made *on the actual sales*. So it was decided to cost the sales of four separate weeks, selected at random from the period under review. The total of these sales was £726, and the cost, when totalled, came to £535 17s., showing a gross profit of £190 3s., or 26.19 per cent. on the return.

It was at once evident that the gross profit shown in the trading account was not the profit

which was actually being made in the department; but, in order to make assurance doubly sure, a further week of the sales was costed, but this time a week from the then current quarter was taken. This was done because it was thought that if the percentage of gross profit on sales in some other period than that which was especially under consideration was approximately the same, it would be safe to assume that *that* percentage was indeed a fair average for that department. The sales of this further week were £196, with a cost of £143 12s., showing a gross profit of £52 8s. or 26.73 per cent. in relation to sales, which was sufficiently near to the percentage shown in the four-weeks-period to be considered satisfactory.

TRADING ACCOUNTS FOR SEPARATE PRODUCTS.

It will be at once recognised that a deficiency in gross profit of anything like 4 per cent. called for very careful consideration, and the following are the lines upon which the investigation was made.

Six distinct lines from the ordinary stock were selected, and the stock of these was taken—this was at the end of March. The stock of these particular articles on January 1st was also ascertained, these figures being taken from the stock records which were obtained at the ordinary stocktaking at the end of the previous year. The next step was to abstract from the purchases and sales records the purchases and sales of these six lines from January 1st to March 31st, together with the transfers from and to other departments, if such occurred.

In making this check, quantities, as well as prices, were taken out, in order that it might be clearly demonstrated as to whether or not there was a shortage in the *quantities* of these six articles. With this material in one's hands it was possible to prepare a trading account for each of the six classes of goods. This was done, and, in preparing the trading accounts, so that the whole might be shown on one sheet, 14-column foolscap analysis paper was used—seven columns on each half—one column being used for the total, and one for each of the six different products. Another account was prepared in precisely the same manner, but, in this case, showing *quantities* instead of prices. The results were most interesting and informative.

6% INSTEAD OF 28% GROSS PROFIT.

In the case of one of the items, it was shown that a gross *loss* was being made. Three others showed a gross profit of about 6, 17½ and 19 per cent. respectively, while the remaining two, which were proprietary articles off the list prices

of which a maker's discount of 25 and 30 per cent. respectively was allowed, gave a perfectly normal return in accordance with these discounts.

When the quantitative check was completed, in the accounts of each of the first three a stock shortage was revealed—in one case representing a deficiency of some 134 articles. These goods were portable, and the price was fairly low. In the instance where a gross profit of only 6 per cent. was shown, it was estimated that the profit should have been about 26 per cent. on the return. The number of articles missing in this case was comparatively small, but the individual value was much higher. Upon going into the matter further it was discovered that the manager of the department was in league with certain customers or their employees, who, while making a purchase of certain goods, and paying, or signing, for them in a perfectly regular manner, were being allowed to take away other articles which were neither being paid for nor booked to them. Leakages were also occurring in one or two other directions, the cumulative effect of the whole being reflected in the figures in the manner indicated above.

Graphic Statistics in Management.

By WILLIAM HENRY SMITH.

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COST OF ANALYSIS REPAID MANY TIMES OVER.

This analysis entailed a considerable amount of work; but it paid for itself many times over. Information was furnished which, without it, might have remained hidden for years, and had, in fact, so remained undiscovered for a very long time. Incidentally it had the effect, too, of turning an unsatisfactory department into a dividend-earning one.

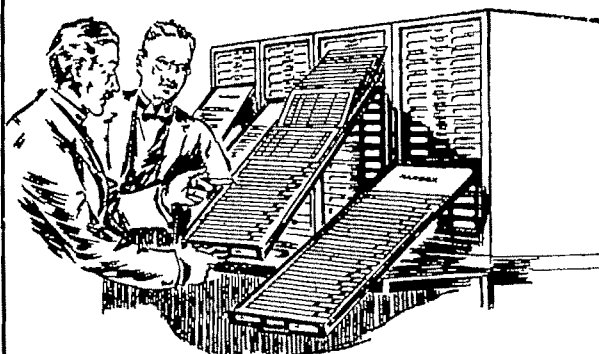
My experience has been that, provided prices have remained stable, it is not wise to pass unquestioned a deficiency of anything more than 1 per cent in the gross profit of a department; and, even when there *has* been a fall in prices, it is *still* advisable to investigate, in order to find out to what extent the accounts have been effected thereby. It will very often be found that a price fluctuation may be only a contributory cause, and that the root of the trouble, as in the case which has been cited, lies very much deeper.

It is a sure thing that, if leakages *are* occurring, statistical analyses will, one way or another, inevitably and ultimately reveal them; and the fact that investigations are being made will almost certainly have the effect of causing those who may be responsible for them to consider very seriously the advisability of discontinuing their questionable practices.

Independent of this, however, it will be wise to institute some sort of periodical check in all departments—or at least in those the returns from which are not *entirely* satisfactory—and this cannot better be done than by the preparation of trading accounts, from time to time, *in relation to certain specific lines*, in the manner indicated above. This will be found to be much more expeditious and less expensive than would the preparation of full departmental trading accounts between the ordinary accounting periods, as this would entail the taking of the *whole* of the stock of the departments at other than the ordinary stocktaking time. It will be found, in practice, that these sectional trading accounts will not only act as a most valuable check upon stocks, but, as will be indicated in a subsequent article, they will furnish other information which will be invaluable to the executive

"Business is a science, and the office may therefore be regarded as the laboratory, and as such needs to be efficiently fitted to carry out the work for which it is intended . . . Financial conditions need close and careful study in order that the business man may know when it is advisable to expand and when to contract credit, and when it may profit him to purchase his goods and pay for them by raising a loan"—A. Lester Boddington, F.S.S., in "Statistics and their Application to Commerce," H. F. L. (Publishers), Ltd.

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A Function of Management.

In our September issue we submitted a general survey of the industrial accident problem, discussing the extent of the national losses, etc. In the following brief article our contributor emphasises that Accident Prevention work is a task in which every Works Executive should be interested, not only from a humanitarian standpoint, but from the viewpoint of general works efficiency—maximum output of highest quality at lowest cost.

"I THOUGHT the Safety Movement was a fad," said a manufacturer recently, "but I have to admit a complete revolution of ideas. Industrial Accident Prevention is a matter of immediate and practical importance to every employer, whatever his trade or the size of his works." Such a candid statement is worthy of frank consideration.

These are days of scientific management, when all unnecessary waste must be prevented and strict economies enforced yet annually approximately seven million pounds are diverted from the financial strength of British Industry in direct settlement of compensation claims, while there is the cost of administration of this large sum. This huge "overhead" charge is costed against production, but there are many other accident costs uncovered by insurance, the entire charges falling upon the employer.

Every accident interrupts production. A visit to a First Aid Box may mean a five or ten minutes break for two employees, or it may mean the cessation of work for a gang for the rest of a shift. An accident of any severity will often demoralise the men of a department so that, after a stoppage to ascertain for themselves the cause of the accident, normal output for the department is not resumed for some hours afterwards. It may mean that another employee is called upon to assist the injured worker to the First Aid Station, possibly taking him home or attending to other jobs incidental to his comfort. Intricate machinery and expensive materials are frequently totally destroyed or irreparably damaged. Other dislocations arise. It may be found necessary to engage another worker, either to take the injured employee's task temporarily or the place of another transferred to the vacant job. The new worker must be instructed in his duties to some degree. The foreman's time is thus occupied, and for some period the new employee's output is below the standard. Not being accustomed to the work in hand he will likely have to "scrap" some material. This item is frequently found to be expensive if other employees have spent some time in preparation for the process. Further, it must be borne in

mind that the new man is more likely to meet with an accident himself, owing to the changed environment, and in this sense he becomes an increased hazard and possibly a new source of expense. Altogether, the result of an investigation of total accident costs in any works will prove a startling revelation. It must be admitted that this gigantic unrestricted diversion from the expansion of industry and the amelioration of national commercial conditions is no less than criminal. Apart from the economic aspect, much could be written with regard to the humanitarian viewpoint. Another phase describable as psychological, also presents itself. If an employer fails to show any great interest in the safety of his workers, if he shows disinterest in the provision of the safe working place to which all are entitled, an unfavourable atmosphere is created in the minds of the employees. Their view of the work in hand does not improve, and no enthusiasm can be introduced. Thinking carelessly, and the mind being the controlling force of all human activity, they act thoughtlessly, with the resultant tragic toll of life and limb. It is a natural sequence of events.

If industrial accidents represent "overhead" charges through loss of production, time, labour turnover, wastage of machinery and material and involve labour discontent, as must be admitted, then Accident Prevention is surely proven to be a function of management. **MANAGEMENT EXISTS FOR EFFICIENT PRODUCTION. PRODUCTION WITHOUT ACCIDENT PREVENTION METHODS IS NOT CONDUCTIVE TO EFFICIENCY.** No management or foreman indifferent to our movement can be sincerely interested in the economic welfare of his company.

The works management who, by steadfast adherence to Accident Prevention principles, now so thoroughly developed and well defined, and who by unrelenting systematic application of those principles to his business succeeds in lowering the accident record accomplishes more than merely saving the finance such an attitude will conserve; a great and useful national service is being fulfilled.

Labour Policy of Imperial Chemical Industries.

SIR ALFRED MOND, M P, the chairman of Imperial Chemical Industries, Ltd, announced last month important developments in the labour policy of the combine, including a new co-partnership scheme. The proposals have aroused great public interest, and have been widely discussed. Reference is made to them in our Editorial Notes, and details of the scheme are summarised below.

Works Councils are to be set up in all the works of the combine to provide a link between the board and the employees of the remotest works. These Works Councils, representative equally of the management and the workers, are of three kinds, viz. 1, the Local Works Council, which will deal with all local matters affecting the workers in a particular works; 2, the General Works Council, appointed from and by the Local Works Councils of each group of companies; 3, the Central Works Council, appointed from and by the General Councils. The Central Council will meet regularly in London, and will be presided over by Sir Alfred Mond himself.

A staff grade of workers is to be inaugurated, to which all men of five years' service and over will be eligible for promotion, and those promoted thereto are to be paid a weekly wage instead of an hourly rate. They will be entitled to receive a month's notice of termination of employment; will be paid wages for Bank Holidays, whether worked or not, and receive full wages, less National Health Insurance benefit, for all certified sick absence up to six months. This staff grade may even consist of 50 per cent of all workers of five years' service and over.

The co-partnership plans which have applied to various of the companies are to be unified in a workers' shareholding scheme, intended to encourage all ranks to obtain a direct financial interest in the company. Workers may purchase ordinary shares of the company at 2s 6d below the mean market price. All workers receiving wages of £200 a year or less will receive one free share for every four shares purchased, and those in receipt of higher wages or salaries will be entitled to a smaller proportion of free shares to those purchased. If a worker should die before completing his payments, which may be by instalments, the company will take over his obligations and hand over the shares, fully paid, to his next-of-kin.

Sir Alfred Mond declared that the scheme represents but the first instalment of the labour programme of Imperial Chemical Industries.

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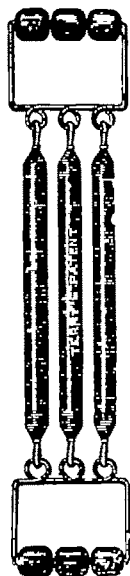
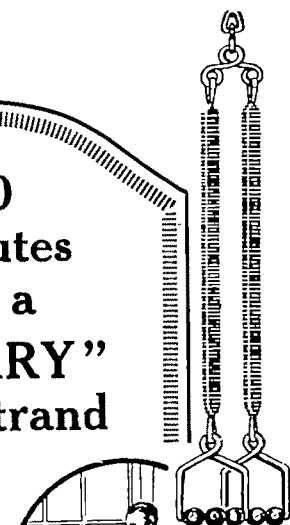
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The Economic Position of the Coal Trade and its Effect on other Industries.

By ARTHUR ETHELL, A.I.S.A., Assoc.M.I.M.E.

"There is nothing wrong with the Coal Industry that cannot, and will not be put right. It is being mourned over by expectant beneficiaries as if its decease were at hand, but it has much more vitality left than is supposed, and its recovery is already assured. The fact is that the industry has had too many physicians, each prescribing some nostrum of his own, and among the lot the patient has been hard put to it. He is only recovering now because he has fallen back on the simple remedies of nature and experience.—Sir ADAM NIMMO, K.B.E., in "The Observer."

THE country is again nearing a crisis in the coal industry. In October of this year the existing Agreement regulating miners' wages in Durham expires, and it will again be necessary to negotiate terms for wages payment. The result of these negotiations is of paramount importance to the whole of our industrial concerns and the workers employed therein.

A SUMMARY OF THE COAL POSITION.

The coal trade is going through the greatest struggle in its existence—collieries are working at a loss, miners' wages barely reach a subsistence level—many are working for less than two pounds per week. At a great many pits coal cannot be produced at a price consumers can pay, the result is it must be sold at a loss. No industry can sell its products at a loss and survive. Wages are at so low a rate that no saving can reasonably be expected by a reduction in that line. Other industries are selling their products at rock bottom prices, and cannot pay a higher price for fuel without bringing about further depression. If our home industries are to prosper we must have coal from our own pits. The seriousness and difficulty of the whole position is very plain to see. The only means of remedying the coal troubles appears to lie in re-organisation of royalty areas and working methods—closing of old uneconomic pits—and drastic alterations in the methods at present adopted for settling trade disputes and regulating wages in that industry.

RE-ORGANISATION AND CLOSING OF UNECONOMIC PITS.

Taking firstly re-organisation and closing of old uneconomic pits—a great deal can be done for the industry on those lines. Pessimists are apt

to say that our coal industry is finished, but this is certainly not the case. Professor H. S. Jevons in his work "The British Coal Trade" in 1915, estimated the coal reserves of this country at 136,000,000,000 tons actual, and 61,000,000,000 probable and possible a total of 197,000,000,000 tons. These figures agree very closely with the estimates published by Dr. Strahan in 1912 and other reliable authorities. The annual home consumption is in the neighbourhood of 180,000,000 tons per annum, and about 68,000,000 is exported every year. From these figures it will be observed that we have coal resources to last us hundreds of years.

In the older mining areas such as Northumberland, Durham, etc., there are a great many pits that can never hope to work at a profit. The demand for their products during the war and post-war boom periods, when a ready market for coal, at inflated prices, could be found, enabled these pits to carry on until the 1921 stoppage. The subsidy gave them further life, but now with no subsidy, low prices for their products, and industrial depression, they are in a most serious position. Many of the better pits with up-to-date plant and large areas of virgin and other good coal reserves have quite a good future before them. Some of the poor pits have areas of good coal in close proximity to the workings of the better pits. This is where a re-organisation of royalty areas would be a benefit to the industry. A transfer of these areas to the good pits, and the closing of the bad ones would be of great benefit to the trade, and ultimately to the country. In other cases, where there is no profitable pit in the vicinity it would be possible to sink fresh shafts and install more up-to-date machinery, close the old pits and work the new ones at a

profit, but this requires large capital outlays. The sinking of new pits principle has already been adopted by a few companies. The modernising of out-of-date pits is another principle that could be adopted with great benefit to the industry, but that would also incur very great expense.

METHODS OF CONSUMING FUEL.

Considerable improvement could be made in the methods at present adopted for the consumption of coal. At present a very large quantity of coal is consumed in its raw state, and consequently a great loss of potential fuel and by-products is incurred. This is particularly evident in domestic consumption, about 2,500,000 tons of potential fuel in the form of soot is ejected into the atmosphere from the domestic fireplace, and about 500,000 tons from industrial chimneys each year. At £2 per ton this represents an annual and direct waste of £6,000,000 (Report of the Royal Commission on the Coal Industry (1925), chapter III, page 21). A type of smokeless fuel (coal from which the materials at present going to waste in soot having been extracted and utilised) is a method which could be adopted for the saving of this wastage. Research Boards are at present investigating on these lines.

TRANSPORT.

Much wastage is incurred by the transportation of coal from areas long distances away from the consuming points, when the coal could quite well be supplied from nearer pits with a consequent saving in carriage, wagon hire, etc., but this is a point that has many serious difficulties, and it may be wise not to lay too much stress upon it as it would really be interfering with the freedom of trade to take any steps to alter the present procedure.

RATES IN COLLIERY AREAS.

Colliery owners are up against another very serious problem in the rating system. It is usual in many colliery districts to supply the miners with free houses and coal, the colliery owners paying all rates and costs of repairs to the property. In times of depression and strikes the miners though not working in the pits are often allowed to continue living in their free house. The owners have still to pay rates and repair the property. The rent free tenant in addition to saddling the owner with the expenses in connection with the property very often claims relief from the local guardians. The rates consequently are advanced, not only on the property in which miners are living but also on the pits. In some colliery areas the rates have reached the tremendous figure of 30/- in the pound. The

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majority of this is paid by the colliery owner, who in the time of strikes is really practically keeping his employees who are striking against him.

METHOD OF REGULATING WAGES.

A glance at the following table of stoppages, extracted from the Report of the Royal Commission on the Coal Industry (1925), Part III., chapter x, page 108, is quite sufficient to show that there is room for some drastic alterations in the present machinery for settling disputes and governing wages in the coal trade:—

Year	Number of Disputes	Number of Workpeople involved	Aggregate duration in working days
1919	216	919,000	7,565,000
1920	213	1,407,000	17,415,000
1921	147	1,251,000	72,693,000
1922	155	116,000	1,246,000
1923	186	187,000	1,183,000
1924	190	134,000	1,563,000
1925	162	129,000	3,450,000

Provisional—Following this we had the General Strike of 1926.

With so many stoppages in the trade owing to wages disputes there must be very strong grounds for the adoption of a very different method of settlement of labour questions. Nationalisation of mines has been advocated as a method of overcoming many of the difficulties, but this is such a tremendous item, involving so great a capital expenditure (somewhere in the neighbourhood of £100,000,000 for minerals only) that it is far too vast to be dealt with in the present paper. There are a great many points for and against nationalisation.

THE EFFECT ON OTHER INDUSTRIES.

The continuous strikes in the coal industry are not without their very serious effects on our industrial constitution. Our iron and steel manufacturing, engineering, shipbuilding, and many other important industries are dependent on a home supply of fuel for their very existence. A prolonged stoppage in the coal fields is automatically followed by a stoppage of our large works, railways, and other industries. The laying idle of works firstly causes a tremendous amount of unemployment. It also causes great rises in taxation, which as we are all aware is already as much as we can bear normally, but worst of all it destroys foreign confidence. For the securing of long dated contracts (the absence of trade) it is essential that our customers have the confidence that we can deliver their purchases at the required time. Strikes are the worst possible things for ruining our chances of

securing these contracts. The purchasing power of the nation is reduced tremendously by industrial friction between capital and labour. This brings about depression in the demands for all classes of goods for home consumption, and consequently further lengthy depression is bound to take place. Another very important item is that whilst after a strike many of the mines are able to recommence practically immediately (taking for granted that safety men are left at work) steelworks, ironworks and other large works are often caused a prolonged stoppage after the miners have resumed their duties in the pits.

INDUSTRIAL PROSPECTS.

If an amicable arrangement can be come to in the mining industry, with a fair prospect of a long continuation of work before further stoppages, our industrial prospects are bright. Since the war great economy has been exercised by the majority of countries. Only actual momentary requirements have been purchased. Countries are in the same position as individuals, a property owner can for a time say, I am not going to incur any expense for the repair of my property until I am forced. When he is forced to repair his property he will be faced with a far greater expenditure than if he had done necessary repairs as they were required—then is the boom period for the builder. The same applies to international trade. Great economy can be practised for a time, but eventually it results in great expenditure and consequent industrial prosperity. If we can keep free from internal strife and industrial disputes we will be in the market for our share of the requirements of the world when this long promised boom period comes along. Everything relating to our industrial future depends on our home labour affairs. If Britain can keep free from industrial disputes it will still retain its position as the Workshop of the World.

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By O. RIVINGTON.

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SOME manufacturers seem to think that manufacturing ability carries with it the right of public goodwill. They are so insular, as to put a false estimate upon the position in which the public places them. Within his own gates a manufacturer may be as autocratic as he likes, but outside, he must woo the public. Producing is one thing; selling is a matter of far greater difficulty. Just as long as the manufacturer holds to the idea that the public will come to him without guidance, he loses business. What makes marketing such a costly business is the failure to get the consumer's point of view. As soon as a manufacturer gets this viewpoint he must realise his responsibility for going to the public. To this end he requires goodwill contacts.

An instance came to notice recently which indicates most eloquently that there are people who are either wilfully or blissfully ignorant of the needs of modern marketing. If one enters the average well stocked retail shop, in any line of business, they see a range of goods from 500 to 1,000 in number. The head of a large department store said that his stock embraced over one quarter of a million different articles. How is a manufacturer to push through this crowd of commodities and win a share of the consumer's money?

The instance mentioned came from a manufacturer who aspires to be a national advertiser and national distributor. "How is it that I can make goods, but when I have made them, no one will buy them?" "Take —, they can manufacture the silliest things and sell them like fun." His goods supplied the first part of the answer. They were extremely poor, in comparison with similar goods already on the market. His ignorance of the first principle in marketing supplied the rest.

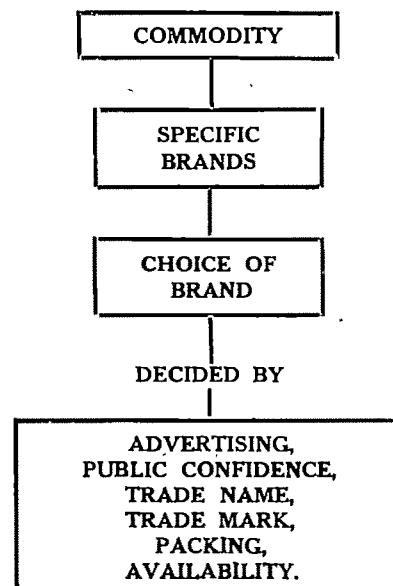
He did not realise that the first goodwill contact is the confidence of the public, but the firm with whom he compared himself, did. The firm he named have, from obscurity, become leaders in their field. A high reputation for quality and straight dealing; a recognition of the importance of doing all the thinking for the consumer, and a consistent advertising policy, has given them an enviable position in the markets they serve.

Goodwill valuations ought to be approached from the consumer side. The real worth and goodwill of a business can only be measured by the number and buying capacity of its customers. Customers are made when they believe their personal interests will be advanced by the things the manufacturer sells. Lack of this confidence is what makes sales resistance and restricts the growth of trade.

Having won public confidence, the manufacturer has a far greater need for identifying his product. He will have copyists and substitutors and commercial parasites of all kinds to carry immediately he wins through. Then one of his biggest tasks begins. He has to make it easy for his consumers to recognise his goods when they return for more.

THE TRADE NAME.

"No matter what the product is, it needs to be given a name to distinguish it from similar products in its class. Whatever may be determined of other matters which influence to some extent the buying of the public, or any portion of it, it must be stated at once that the product which



is manufactured as a staple, known only by its generic term, sold without any identification by the individual manufacturer, lacking any special characteristics or individuality, bought without regard to its origin—represents the smallest value of any goodwill to be found attaching itself to any business," says Mr. Harry Tipper.

As the mind stimulated by need thinks of commodity, it surveys the range of specific brands, before choice is fixed. The power of advertising in influencing choice has been dealt with. This is an intensive study of the methods necessary to allow advertising to bring forth its best results. The chart shows how decision to buy is helped.

On the choice of the trade name, i.e., the name to be impressed upon the mind of the public, a great deal depends. The advertiser should recognise that he has to deal with mass memory, in which concentrative power has little application. Psychologists teach that every mind perceives, but few really see. Impression and retention of ideas are necessary before they can be reproduced. The mass mind takes on new ideas and impressions slowly; simple and forceful ones progress faster than complicated or torpid ones. It does not work on scientific lines to memorise and recall what manufacturers are doing. It learns by repetition what manufacturers are doing.

A good name is attractive, easy to recognise and recall, as well as easy and pleasant to say. In its social nomenclature, the public seldom nurtures the long name. A man may have as many names as doting relatives can confer upon him, but rarely is he responsible for more than one to his acquaintances. If a man dared call himself "Through Much-Tribulation-Smith," to-day, he would promptly be dubbed "Tribby."

These mental laws are not to be lightly disregarded by business men. As a nation, we have a language heritage of simply homely Anglo-Saxon words. The big awkward words have little currency in our common speech, and any trade name of sesquipedalian structure, must be shortened to be remembered and used. Consider such trade names as B.S.A., Dent's, Dunlop, Terry, Oxo, Lux, Pears, Kodak. They have acquired some of their goodwill, because they are short, crisp, and conform to English custom. Had those responsible for familiarising these names, been bound to use the full firm names, they might have been less well known.

Into the trade name the advertiser should expect to focus goodwill, by way of the public memory. He has to teach his markets to associate his name with the commodity when their wants urge them to buy. The more readily a

word is grasped, and the easier it is to say, the faster does its goodwill value accumulate.

Ridiculous, fantastic names are a liability. Many people never buy, others hesitate to do so, because they fear making themselves to feel silly when they have to say the name. If one is appealing to the children, a childish name may pay, but when adults, of all temperaments are the object, it is well to work on common sense lines.

One of the hindrances to the adoption of a short name seems to be the pride of partners in the business. If Brown, Jackson and Alfreton form a partnership or limited company, each wants his name to appear. Instead of this, as they are all anxious for prosperity, they ought to coin a word and pound it home. "Jaxton" would be easier to remember than the full title, although, Brown would be left out.

Why not find out what a good name is? Take a list of possible names and submit them to a number of men and women. Ask each to number the names which are most attractive, and say why. Repeat the test sufficiently to be able to depend upon the result. To take up the establishment of a trade name on these lines is to work in harmony with mass psychology. It pays in the end, far better than making a haphazard choice.

THE LEGAL ASPECT.

A study of the legal side of the subject suggests two important considerations. First there is need for exercise of care in the selection of a trade name. Secondly the value of making the product and name synonymous. Recourse to law is extremely costly whether it be in the role of complainant or defendant. The judgments that have been given are lengthy, but they establish precedents it is unwise to ignore.

1. A man may trade under his own name, but he will always be subject to objection at the instance of other persons who may be injured by the use of the name he has adopted.

2. The registrar of Joint Stock Companies "shall not register a company with a name identical with that by which an existing company is already registered, or so nearly resembling it as to be likely to deceive."

3. John Brown & Co., may be carrying on business as steel merchants, but they could not restrain a new company being formed to carry on business as drapers. "What the law did prevent was fraud, and it not only prevented actual fraud, but unconscious fraud also. It might happen that the mere using of a well-known fancy name would be evidence of intention to commit fraud. One can well understand a certain fancy name being so attached to a business

as to indicate that business and that business alone, and that another using the same fancy name in carrying on a SIMILAR business ought to be convicted of an intention to defraud."

4. "An honest man will wish to take all reasonable precautions to prevent his goods being confounded with the goods of other traders. If a man is not an honest one, then the law will step in, and compel him to behave like one" (Vaughan Williams, L.J.).

5. "The truth of the matter is that, inasmuch as the trader who has established a good business acquires, as I have said, no right of property in either his personal name or in the name by which he chooses to denote his goods, it follows that the cause of action which the plaintiff has must be this action for deceit by attempts to pass off his goods as being the goods of the plaintiff. The personal name of the plaintiff, by the reputation that he has acquired in the business, has really come to denote his goods, just as he might denote them by some fancy name he chose to use.

"A plaintiff can never complain against use of a name, unless he first establishes that in his market his goods have come to be known by that name. The right and duty of Court is to restrain the use of a name that has come to be recognised as the name of a particular trader's goods for his, the defendant's goods, so as to suggest that the defendant's goods are the plaintiff's goods, and pass them off as such."

Seeing the tremendous value which is at stake, the choice of a name is not a matter of light moment. Some people adopt a geographical name, forgetful of the fact that other people may also use the name of that place to inform the public they are doing business there. The courts hold that anyone has a right to use a geographical word in a primary sense, but the firm using it in a secondary sense is required to take such steps as will prevent misapprehension on the part of the public.

In spite of the fact that good names abound, in a marketing sense, there is still scope for imagination, originality and sound sense. Where the public is the arbiter and decider of goodwill, the name should be framed, as far as may be possible, in accordance with the laws that govern crowd psychology.

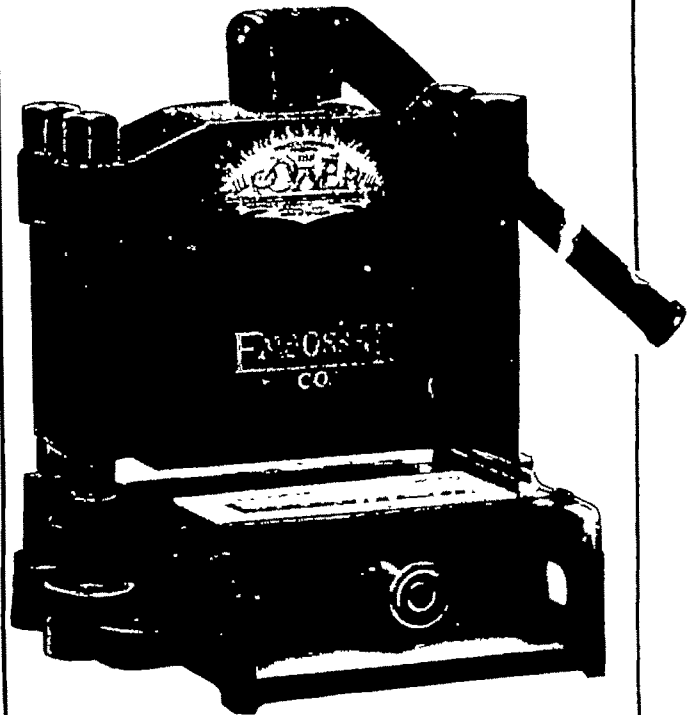
The more condensed the name, the bolder it may be displayed. A long title needs space for display. A short name lends itself to more distinctive treatment than a long one, and these are not small factors when one's success depends upon the goodwill of the common people. There are no short cuts to the creation of a sound and lasting goodwill. It must be achieved by patience, sincerity, and faith that building on truth, though slow, is building for endurance.

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Accounting for Stores.

By Capt. J. E. STONE, M.C., F.S.A.A.(Hons.), F.S.S., *Incorporated Accountant.*

An efficient system of accounting for stores is essential in every manufacturing concern. The following article outlines a simple yet eminently practicable system, adaptable alike to small and large concerns.

ACCOUNTING for stores has not received the attention such an important phase of manufacturing deserves. Accounting control is considered absolutely necessary for cash transactions. Cash in hand or at the bank is looked upon as something sacred and directors and executive officers would not think of dealing with it without going through a definite form of ritual. But let (say) £100 of this cash be turned into an asset of another kind, such as stores and the tendency is to regard it in a much more familiar manner, if not to ignore it altogether. Yet from the financial point of view, control is just as necessary for the correct utilisation of the stores as it is for actual cash, and exactly the same rules, so carefully observed in the case of cash, should apply. The accounting records should place definite responsibility for the use of all supplies and readily consumable articles, and should provide the data necessary to allow of the consumption by the different units of the organisation to be obtained and compared. For this to be done an efficient system of stores accounts is essential. It should form an integral part of the accounting system and should be so framed as to afford complete touch with the materials from their receipt into store until their issue for consumption. Stores are nothing more or less than cash in other form—a change of assets—and the expenditure of cash in the purchase of stores merely transfers the need for control from

cash to stores. It should be remembered also that for every duty imposed upon a cashier with reference to cash a similar duty should be imposed upon the storekeeper with reference to stores.

The following system of stores accounts has proved its value. Naturally it will have to be adjusted to the circumstances attaching to particular concerns, the number and situation of the stores depots, classes of materials dealt with, and staff available, etc. The fundamental principles are, however, the same, and the system here set out can easily be adapted to meet special cases.

RECEIPT OF GOODS.

When the orders for goods have been despatched, the storekeeper is notified so that he may make arrangements to receive them. It is of course a great convenience if all goods can be received at a central store, and this should be arranged wherever possible. The storekeeper's duty commences with the receipt of the goods. The delivery notes accompanying the goods should be impressed on the back with a rubber stamp as follows:—

Quantity correct	..
Quality approved	..
Bin No (Stores Ref No)	..
Compared with order	..
Stores Led Fo.	..

The storekeeper checks the quantities received according to the delivery notes, and reports to his chief in order that the goods may be examined as to quality before being taken into store. If the goods are correct as to quantity and quality the note is initialled by the respective parties to the examination, and passed on to the order clerk. Here it is compared with the counterfoil copy of the order, so that any discrepancies between goods ordered and those supplied can be dealt with at once. It is then sent to the stores ledger clerk who makes the necessary entries in the stores ledger. The delivery notes

a proper credit note in due course, and the third copy is retained by the storekeeper.

THE ISSUE OF STORES.

Regulations should be so framed as to prohibit the issue of any materials from stores except upon the authority of a stores requisition signed by a responsible officer. The specimen form shows the information to be given. When executed, the notes are initialled by the storekeeper and forwarded to the store ledger clerk. After being analysed, the requisitions are filed in date order according to departments, for future reference.

Specimen No. 1.

STORES WARRANT

No goods may be issued by the Storekeeper except on production of a properly signed Warrant
To STOREKEEPER No
.....Dept. 192..

Please supply undermentioned stores :—

	Description of goods required	No	Quantity.				Purpose for which required	Job No or Service to be charged.	Stores Led. Fo
○									
○									
Issued the above Stores			Storekeeper				Signature of Officer requisitioning goods		
Received " "									

are filled in date order and thus a chronological record of goods received is preserved *without the necessity of keeping a goods received book*. A great advantage accrues from the delivery notes being dealt with in this manner. The accounts when received from the supplies can be checked in the office by the stores clerk and need not be sent to the storekeeper for examination at all. This method saves an enormous amount of time in a busy office, and also anxiety with regard to lost or mislaid invoices and accounts. If any goods are rejected and returned, full particulars should be entered in a stores returned book. The reason for goods being rejected, and by whom rejected should always be stated. This book is on the carbon copy principle and is prepared in triplicate—one copy goes to the order clerk for noting on the counterfoil of the order, another to the accountant so as to ensure the receipt of

The purpose for which the goods are required is stated on each requisition. This is important as it forms the basis of the allocation of issues, and the subsequent charging of the stores used to the departments or jobs concerned. The analysis is prepared on loose sheets (holed at the left hand side for inserting in a loose leaf binder) containing a number of analytical columns, summarised weekly and after the total column has been agreed with the total issued, this figure is posed to the credit of the stores ledger accounts, and the separate amounts to the debit of their respective job or service accounts. Where the same kind of article is being constantly used for the same purpose the requisitions as received would be entered in quantities only on analytical sheets and summarised weekly. The weekly total with one sterling calculation only will then be posted to the stores ledger. Advan-

tage should be taken to make a continuous examination of the records of stores issues with the wages analysis. It is almost impossible for materials to be used in carrying out work without a corresponding item for wages. In addition to the actual cost of the materials issued, there are usually a number of individual items to be charged to the jobs and services concerned. Such items include charges for handling, delivery, storage, and general expenses of upkeep of stores depot. These should be taken into account when fixing the price at which the stores are to be issued.

THE STORES LEDGER.

In this ledger are focussed all the various transactions and from its pages one should be able to obtain all the information required. The form recommended is as follows:—

postings, the chances of errors occurring is greatly minimised.

- (4) The ledger being kept up to date, the balance of stores on hand on any account may be ascertained at any time. Two advantages result from this: (1) Stocktaking can be performed in sections at any time and differences enquired into before any length of time is allowed to elapse; (2) A most effective check is obtained promptly on the storekeeper who may be called upon at any moment to report and if necessary produce for inspection his actual stock.

It will be noted that columns are provided for the insertion of price and amount. This is absolutely necessary if proper control is to be maintained. The accounts are classified according to the particular requirement of the concern, and a separate ledger sheet is used for each article.

Specimen No. 2.

STORES LEDGER

Article
Min Max. Ref. No.

RECEIVED									ISSUED									BALANCE		
Date.	Del. Note No.	From Whom Recd.	Particulars Sizes, Marks, etc.	No.	Quantity	Invoice or A/c No.	Price	Value.	Date	Stores Reg'n No.	To Whom Issued.	Particulars Sizes, Marks, etc.	No.	Quantity	Price	Value.		No.	Quantity	Value.
								£ s d								£ s d				£ s d
x	x	x	x	x	x	0	0	0												

x—Entered from Delivery Notes

0—Entered from Invoices

A loose leaf ledger lends itself admirably to the purposes of such a ledger. It will be observed that *this ledger is a combination of three books: stores ledger, goods received book, and goods issued book*, the resultant advantages being—

- (1) Saving of time; entries are posted direct from the original documents. If separate books are used, much waste work is involved in entering *first* in the subsidiary books and *then* posting to the ledger.
- (2) The ledger is always up to date. This cannot possibly be so when other work has to be done before the ledger is posted.
- (3) Owing to the greatly reduced number of

All postings to the stores ledger are made direct from the original documents as far as possible—debit side—quantities from delivery notes; sterling figures from invoices and accounts. Credit side: stores requisitions or requisition summaries. In the financial books all purchases for stores will be debited to stores account in the general ledger, and this account will be credited with the total value of stores issued as shown by the requisition summary. The stores account in the general ledger acts as a control account over the stores ledger, and the total of the balances in the stores ledger should equal the balance shown in the stores account in the general ledger.

"The Correspondence Graduate."

By WILLIAM E. ADAMS, F.I.S.A.

Two sides to a question. In our two previous issues we published the views of eminent principals of successful "Correspondence Schools." An equally successful student now furnishes his view *unsolicited*. We publish it with pleasure —
EDITOR.

HE has come to stay. The Correspondence Graduate has won his spurs and much of the criticism of his "Universities" is prompted by that mean but human spirit of pouring contempt upon the "something new" which upsets the traditional ideas of "how to get there."

True education is just knowledge—and extensive experience of Correspondence Colleges of repute proves conclusively that no finer method of rapidly acquiring and retaining knowledge exists. But the graduates of these colleges have been "sent there" by their own grit and determination in contradistinction to the accident of birth which selects the majority of the entrants to the venerable universities. The outstanding successes in the business world of the students of Correspondence Colleges are but one indication of the democratic march of the times.

The successful "C.G." must acquire industry, self-reliance and determination or he will not stay the course. These qualities singularly harmonise with the qualities of business success.

Knowledge is not born, but acquired by concentrated hard work and application of the lessons learned. The "C.G." who has obtained the signal of the successful conclusion of the path he set—his examination diploma—has secured the hall-mark of the ability to be master of himself and work hard, unattended. In short, to supervise himself, with the resulting ability to supervise others.

We live in an age of specialisation. Be as versatile as you may you must be able to do one thing better than most others, or you are almost doomed to remain in the ranks. Our "C.G." obtains his versatility in the daily round and common task, but by sheer self-denial of leisure and social entertainment—specialises.

The success of the correspondence colleges is built upon the successes of its former students and there is no finer testimony to their proved worth than the fact that a majority of pupils in the

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professions which insist upon service under articles as a condition precedent to membership now have resort to correspondence schools as the best and quickest means of acquiring the necessary knowledge to obtain their second essential, the examination diplomas.

To cheat your correspondence tutors, though easy, is but to cheat yourself. You know if you do not know and the search to know develops that quality of genius, the capacity to take pains.

The traditional seats of education instruct to time-table. The correspondence method permits that elasticity of study which best suits the individual. Oral lectures must be heard or gaps are created in the course of learning but the correspondence course, through the channel of the eye to the brain, misses nothing and the learning is done at a time best suited to the student, be he midnight owl or early riser.

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It is agreed that practical experience is far more valuable than theory but the worth of the Correspondence Course lies in the qualities produced which enable the resulting trained mind to more readily acquire and search for the teachings of experience and, being forewarned, avoid many of the pitfalls.

To acquire

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- 2 The will to work hard to a goal
3. Specialised knowledge
4. Honesty to yourself
- 5 The power to concentrate
- 6 The habit of daily learning

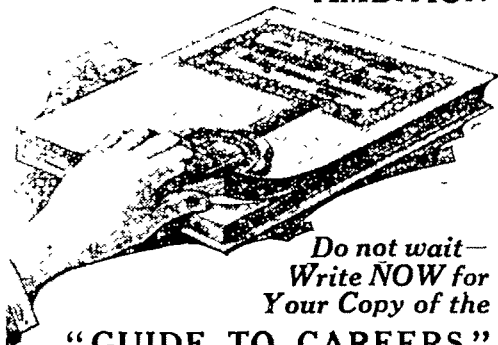
is surely worth-while. Which is just why a "correspondence" course, industriously carried through, is worth-while.

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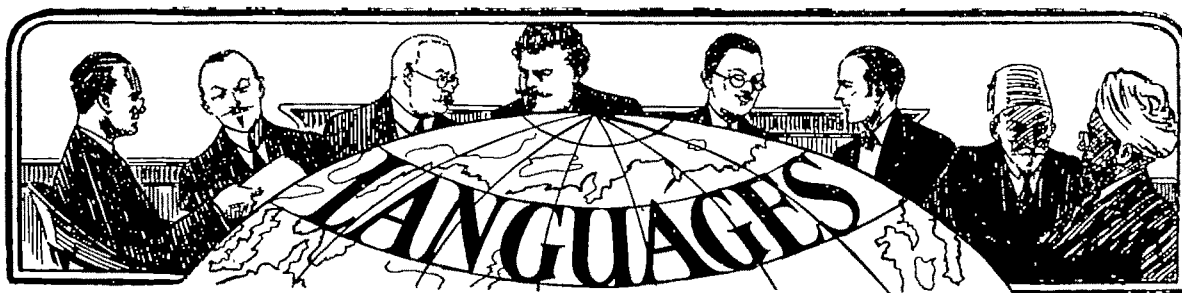
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A "B.O.M." Section to Promote the Study of Languages, for the Improvement of International Understanding and World Trade.

Exclusive to "B.O.M."

By C. W. FRERK,
International Editor, "B.O.M."

THE language problem has been repeatedly touched upon in our International Service Section. We have had correspondence on the subject with several of our readers; requests for translations reach us regularly in connection with the services we render to all those who are interested in export and import business; we

noticed the general negligence of the language question in many of our manufacturers' export policy. We thought we ought to do something to further the study of languages, to create interest and understanding for its urgent necessity, and, in accordance with our long-established policy of practical service, to establish a separate

editorial feature dealing exclusively with the three essential points.

- (1) Why we should study languages.
- (2) Which languages to study.
- (3) How to study languages.

These three points will be the regular sub-titles of our new Language Section, coupled with which we offer practical counsel to all those who are anxious to acquire the knowledge of one or more foreign languages.

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one whose mind is occupied with the thought of studying a language and which language to study, is prepared to and capable of thinking over serious matters. Whosoever intends setting out to study a language thoroughly, with that object in view, should be willing to sit down for an hour or so to consider which language would be the most suitable, the most practical for him to acquire, why he should acquire the knowledge and how.

We trust, and, in fact, must expect, that every one of our readers who seek advice in this section, will seriously consider all those circumstances and preliminary conditions which will be outlined and demonstrated here

It is not our intention to teach languages through our magazine. There are schools and institutions much better equipped to accomplish that important and indeed not very easy task. It is in co-operation with these excellent teachers and schools of languages that we intend to enlighten and advise our readers upon the three points mentioned above.

THE "WHY."

There must be thousands of young men and women in this country who have at one time or another started to study a language, some successfully, many, however, without success, which is proved by the scarcity in this country of really competent linguists. There are also thousands who are anxious to learn, but are at a loss to know how and where to begin.

Admittedly, the situation is much better already to-day than it used to be before the war, when practically the only people who knew languages were foreigners. What happened when the war broke out? Our boys and girls refused to continue to learn German, and in Germany they revolted against the teaching of French and English, the languages of those "who had attacked their fatherland." Our parents admired them for their patriotism; some public and grammar schools

even discontinued the teaching of enemy languages. But that was decidedly wrong. The war has taught and convinced us that we should learn the languages of other nations more than ever before, that we should learn to understand other nations, because lack of understanding is the root of all the trouble.

The knowledge of languages is the "open sesame" to a wider range of knowledge, to greater satisfaction and success in private and business life than is generally assumed. If you study a foreign language, you acquire not only an additional vocabulary—you acquire a second soul; automatically, almost subconsciously, you will occupy yourself with the people whose language you learn, with their country, their character, their habits and customs, their economic life, industry and commerce, their literature, and other things innumerable. Whether you study for purely personal, egoistic purposes, or with a view to improve your social standing or position in business or industry, the knowledge of a second language must and will, if learned thoroughly, widen your vision, increase your knowledge, and offer you certain definite advantages.

We hear frequent complaints of the success of foreigners in competition with British houses; we hear of their advances in chemical and technical science and in commerce. The fact is that their successes are to a great extent due to their mastery of foreign languages. Most of the bigger German firms have their research libraries, which contain technical, scientific, and commercial books, statistics, journals, trade papers, catalogues, etc., of all their competitive nations. Export managers, expert translators, and foreign correspondents are regularly occupied to find out and record what is being done in other countries. This pooled knowledge enables them to follow the trend of trade or industry, to keep up-to-date, and even "to do one better."

There is in our country an urgent need and

likewise urgent demand for men and women linguists, whose most gratifying task it would be to further Britain's economic position in the world's markets.

There are many other reasons to answer the "WHY." We will deal with them in subsequent issues as we go along.

THE "WHICH."

The greatest barrier between the nations of the world is the language difficulty. The number of living languages has been estimated at not less than 1,200. There are "only" 53 languages spoken in Europe to-day. From a practical point of view, we are only interested in a few of them. But already this limited number offers considerable problems to those who are faced with the choice.

"Shall I learn French, or German, or Spanish, or Italian, or one of the Scandinavian languages or Esperanto?" How often has this and similar questions been put to me.

"What is your object?" "What are your intentions?" "What is your business or profession?" "Where are you going?" These are some of the questions one has to ask in return. Because, really, every language is worth learning, be it French, or German, or Spanish, or Russian, Turkish, Arabic, or Hindustani. Indeed, one might feel inclined to say that acquiring a thorough knowledge of Arabic, Chinese, Urdu, or any other lesser known language might offer greater future benefits than French or Italian. The question, however, is which language or languages would offer you individually the greatest immediate opportunities or advantages.

You may be in a business which, known or unknown to you, has decided opportunities in Scandinavia; then by all means study Danish, Norwegian, and Swedish. We live in an age of specialisation. Why not specialise also in the knowledge of languages? Why is everybody so much concerned about learning French? Why try to impose French correspondence on Italians, and Spaniards, and South Americans, and Bulgars, Czechs, Greeks, Turks, Egyptians?

Visualise your position, your present and future activities, your ambitions, and then get down to the solution of the "WHICH."

It will be our object to show under this heading the position of each of the various important languages, their distribution, their relative value,

HOW EVERYONE CAN LEARN A LANGUAGE.

Pelman Institute's Amazing Discovery.

Can you read Spanish?

No.

Do you know any German?

No.

Here are two books, one printed in Spanish, the other in German.

Yes,

Can you read them?

Of course not

We'll try and see.

An Hour later

Miraculous! I can read and understand every word.

* * * * *

The above is typical of the experiences of the thousands of men and women who are learning French, Italian, Spanish or German by the new Pelman method.

For instance, this method enables you to pick up a 48-page book, printed in a language of which you are entirely ignorant, and not containing a single English word, and to read it through without a mistake.

It sounds impossible; yet it is perfectly true, as you will see for yourself when you take the first lesson.

This new method is revolutionising the teaching of Foreign Languages in this and other countries.

It enables you to learn French in French, German in German, Italian in Italian, and Spanish in Spanish, thus avoiding all translation from one language into another.

It enables you to *think* in the particular language you are learning.

It enables you to learn a Foreign Language without spending months in a preliminary struggle with a mass of dull and difficult grammatical rules and exceptions. It introduces you to the language itself right away and you pick up the grammar almost unconsciously as you go along.

There are no vocabularies to be learnt by heart, parrot fashion. You learn the words you need by using them and so that they stay in your mind without effort.

There are no classes to attend. The new method enables you to learn a Foreign Language in your spare time, in your own home, and in from one-third to one-half the usual time.

WRITE FOR FREE BOOK TO-DAY.

This wonderful new method of learning languages is explained in four little books entitled respectively, "How to Learn French," "How to Learn Italian," "How to Learn Spanish," and "How to Learn German."

You can have a free copy of any one of these books by writing for it to-day to the Pelman Institute (Languages Dept.), 168, Pelman House, Bloomsbury Street, London, W.C. 1.

State which book you want, and a copy will be sent you by return, gratis and post free. Write, or call to-day.

Branches: PARIS, 35 Rue Boissy d'Anglas. NEW YORK, 71 West 45th Street. MELBOURNE, 396 Flinders Lane. DURBAN, Natal Bank Chambers. DELHI, 10 Alipore Road.

their influence, etc., and very closely with each language shall we discuss the "HOW."

THE "HOW."

The amount of patience, time, assistance available, the individual temperament and preliminary education, and other decidedly individual factors must decide the "HOW."

You need not be a "born linguist;" a fairly competent knowledge of a foreign language can be acquired by everybody with sufficient will power, perseverance, and courage to undertake the task. Some learn quicker than others; some have left school with a remarkable knowledge of French or German, some are entirely self-taught. Yet there are thousands of others who have tried the one or the other method or methods, and yet fail to make progress. They are always inclined to blame the school or method they have followed; seldom do they stop to think whether they have chosen the right method, right in as much as it would suit their own individual character and inclination.

We have a number of schools and methods of teaching languages in this country, and happen to know practically all of them, and are convinced that all those I know have a right to exist, that every one of them is excellent in itself, yet not suitable to everybody's temperament and education.

We have set ourselves what might be called a "ticklish" task in placing ourselves as counsel between the prospective student of languages and the "methods." But we feel it is a task which is essentially practical, and which will be appreciated by both parties.

We propose to discuss, from an absolutely impartial point of view, the various methods of language instruction—self-tuition by text-books, postal courses, gramophone records, school classes, and individual tuition by competent teachers—and their merits as applied to various types of students.

In connection with these discussions we hope to publish, with the consent of the proprietors, extracts from specimen lessons of the various methods concerned, in close relation to the language or languages discussed under "WHICH."

A reader who has sought and found his answers to the "WHY" and the "WHICH," should, with some serious reflection on his part, find it comparatively easy to decide the "HOW," guided by the impartial analysis of the leading methods in this country.

We will go even further than that. We want to give practical and individual advice. We propose to publish at the end of our editorial on

languages, in each issue, "ANSWERS TO CORRESPONDENTS." In that section we will reply to individual questions, queries, problems, etc., put before us by our readers.

You may be studying or you may have studied a certain language, but you are not clear on certain points; tell us your problems, and we will give you advice and make suggestions, in very close co-operation with the leading language-teaching institutions in this country.

There may be many other difficulties you encounter in your language studies:—

- Grammatical difficulties.
- Translation difficulties.
- Conversational courses.
- How to keep in practice.
- Recommendable literature.
- Commercial language.
- Correspondence with foreigners.
- Colloquialisms and idioms.
- Etc., etc., etc.

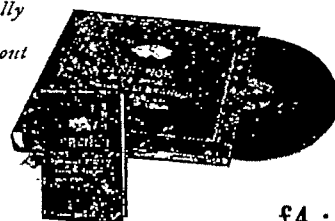
Let us all get together and make that section a really live and interesting one. It should help you to know that you can put your queries before us, whenever they crop up, and that you will get the correct solution every time.

Widen the scope of your business

Seek out the virgin ground abroad. Big business awaits every firm efficiently equipped to deal with Continental enquiries. The surest and most economical aid to foreign correspondence is the Foylophone French Course. Buy a set yourself, equip members of your Staff, and avoid costly and time-wasting translations. *A knowledge of French makes the whole of Europe your Sales territory.*

FOYLOPHONE FRENCH COURSE

*Electrically
Recorded
Throughout*



£4 : 4 : 0

Including Text Book and Album. Records also sold separately.

FREE APPROVAL

On receipt of an order signed by a Principal or Manager of any business House, we will gladly send complete set of Foylophone on 10 days approval. Make any test you wish and if not entirely suitable we accept its return without question.

Full Particulars from

FOYLOPHONE, 119, Charing Cross Rd., W.C.2.



Repercussions.

Was the Advertising Convention a Success? Under cover of this interrogatory title appeared a striking article in the August issue of "Sales Promotion,"—published by the Facsimile Letter Printing Co. Ltd. The conclusions reached showed a more than ordinary quality of analytical power; were so remarkable and far-reaching, that we were prompted to discover what opinions were expressed by publicity organs of other nations. Below we print extracts, as indicated in our Editorial columns, from a selected number of journals received from all parts of the world, including "Sales Promotion" already referred to. The sentiments expressed are a matter for the journals referred to. Our opinion is expressed in our Editorial.—EDITOR.

"SALES PROMOTION," London ; "DIE REKLAME," Berlin, Germany ; "VENDRE," Paris, France ; "NEUE ZURCHER ZEITUNG," Zurich, Switzerland ; "DE RECLAME," Rotterdam ; "OESTERREICHISCHE REKLAME," Vienna, Austria.

"SALES PROMOTION," LONDON.

"What, then," it will be asked, "is the real value of advertising in a complex social system like our own?"

Mr. L. S. Amery, M.P., Secretary for the Dominions, had little doubt on the question. In the course of his speech on opening the Exhibition Mr. Amery disputed the doctrine that the contribution made by the professional advertiser was the creation of fresh and new desire. He did not share the view that new desires were commendable or expedient. Mr. Amery thinks that the principal thing wrong with current society is the large number of discontented people it contains. They ask for more and the Secretary for the Dominions holds that persons act erroneously, if not improperly, when they ask for more than they have. Mr. Amery would deny the statement but in reality he is a philosophic quietist—which means, in simple English, that if his doctrines were applied, every form of social motion would cease. Where we have

arrived there we should stay. He fears that new desires engender demands for increased wages and larger salaries and in those notions there is trouble.

Mr. Amery made a speech, a good speech. He always speaks well, but he made no contribution to the theory and science of advertising. He spoke of its art and its practice with special relation to the Empire Market. Among the severe limitations which the Convention adopted was its concentration on Empire trade. Its apparent indifference towards the deeper problems of the home market were matters of comment among a group of experienced manufacturers who attended the first day's proceedings. Unfortunately, their views had no chance of expression from the floor. Had their opinions been voiced the delegates would have realised how widely different are the views of the advertising agent, with his eye on the Empire market, and the manufacturer who makes to sell in economic conditions exemplified by high rates, high prices or materials and falling returns.

Nor were the problems of the Empire market explored with pertinacity.

On the part of the platform and the delegates, both in the Convention and in the sectional meetings there was a tendency to seek shelter behind alliterative jingles. "Empire buying brings Prosperity"—ran one legend in many places. Why it should bring more prosperity than buying from Germany or America was not made clear. Could its authors explain had they been called upon?

If Britain imports from Germany she sells to pay for the import. If Australian goods came in, Britain sells to pay Australia. In what manner the prosperity of Britain is advanced by dealing with Australia rather than Germany or America, is a question that needs exposition.

ORGANISATION OF EMPIRE MARKET.

Consideration should have been given to the tariffs that the Dominions levy on British goods, which, despite preference, are far too high when allowance is made for freightage costs. A matter even more vital is the population of large areas in the Empire. The productive capacity of this country is far in excess of its own needs. The surplus which our own people cannot consume must be sold beyond the seas, and broadly there are two fields they can enter.

First, there are the foreign markets. **In these we lose hold but they contain hundreds of millions of potential buyers.** Secondly, there are the markets within the Empire, which, excluding India, are inhabited, collectively by a population **rather less in number than the denizens of a few English counties.** **Can that sparse population take the huge surplus of British goods?** To what extent will the output of British textiles, coal, iron and steel machinery, be absorbed by Australia and New Zealand? Moreover, what guarantees are afforded that the industries of the Dominions will be co-ordinated with the industries of the Motherland?

Two things require to be examined before the sentiment which is favourable to Empire trade can find support among the economists, manufacturers in principal trades, bankers, and the controllers of shipping. The capacity of the Dominions to receive millions of British subjects from the Homeland, and the purposes for which capital will be employed in the Dependencies, must become the subject of concrete arrangement between this country and other constituents of the Empire. Trading relations between the several parts of the British Empire are at present without guidance or direction. For all practical purposes of trade they remain separate nations, while there are countries, not beneath

the British flag, which receive emigrants from these shores more readily than Australia takes a British craftsman. What are these countries to become? Manufacturers?—so that they no longer require the goods with which Britain would pay for their fruit? Or storehouses of raw materials and food that the workmen of these islands will turn into exportable wares?

Again, this country is profoundly concerned with the issues that are involved in the idea of Empire trade—the adjustment of manufactures to agriculture throughout the Empire, controlled emigration, and wage rates and salaries in such dimensions that their recipients' power to consume keeps pace with the power of supply.

Let the Advertising Convention turn our thoughts towards these vital questions and it will make history. Let it palter with the trivialities which largely concerned it at Olympia at its peril. If that course is pursued it will meet the death which the Convention would then deserve.

"DE RECLAME," ROTTERDAM, AUGUST, 1927.

Both the Exhibition and the Convention stood in the limelight of Empire Trade Promotion. A great number of the Sessions dealt with the problems of British trade and industry. The pro-British thought and attitude went even so far with some of the officials that they did very little to help us distribute our special English courtesy number. They did not take the trouble to read the contents of our special issue, in which it was very clearly stated that Holland also is an important market for British goods; their offstandish attitude was, therefore, entirely out of place. Our issue was 'foreign stuff' in the eyes of this Exhibition and Convention official, and that was enough for him to condemn the copies to the dustbin, whereas he should have done a little to get them distributed.

"There is no doubt that there are dangers in such attitude, but on the other hand, it will be essential that we also show a little more national pride than we in the Netherlands have hitherto done.

"We are certainly not less than other countries who talk more about themselves than we do. The Dutch Delegation to the London Convention and Exhibition was the biggest of all foreign Delegations, and all our Delegates were advertising enthusiasts. The Exhibition has also shown us that we can draft, write and print at least as good advertising as can the English advertising men, and we feel proud in our conviction that we Dutch advertising men have a

wonderful task before us—namely, to help to further Dutch Trade and Dutch Industry. . . .”

“NEUE ZÜRCHER ZEITUNG,” ZÜRICH, SWITZERLAND, JULY, 1927.

“ The main subject of the Exhibition was British Empire Trade; the same applied to the Convention. Exhibits and Discussions were adjusted to that one theme.

“ However, the Continental Delegates had an opportunity of holding their own discussions in their own circle, discussing and agreeing the formation of the Continental Advertising Association. The Continental Delegates could not help forming the conclusion that the two economic world-power groups of the United States on the one hand, and the British Empire on the other hand, are forcing the economic areas of Continental Europe to combine and co-operate. The European Continent with its political and economic divisions and barriers and frontiers must strive for economic unity. In this direction we have learned something from the Convention—we are taking our lesson in Continental Europe. . . .”

“OESTERREICHISCHE REKLAME,” VIENNA, AUSTRIA, AUGUST, 1927.

“ The Convention and Exhibition were a ‘British Empire Trade Convention and Exhibition.

“ We are concerned with what our Delegates achieved at the Session of the Continental Advertising Association, which was held during the London Convention. This is much more important to us. . . .”

“DIE REKLAME,” BERLIN, GERMANY, AUGUST, 1927.

“ The Opening Ceremony at Olympia was a straight contradiction of all that had been said and announced before. The word ‘international’ had been used very frequently in the propaganda matter; one was led to believe it would be a Convention and Exhibition with at least some international atmosphere, some international exhibitors. Alas, everywhere and anywhere we were hit on our heads with the words ‘Imperial,’ ‘Empire Trade,’ ‘A 1-British,’ etc. Everything that was said and shown with regard to sales promotion, trade promotion was meant for Empire Sales Promotion, Promotion of Trade

Mr. E. J. Smith, the General Manager to Coleman & Co., Ltd., of WINCARNIS fame writes:—

“It is with the greatest pleasure I beg to advise you that over a period of years, we have found the ‘Daily Sketch’ gives us a cheaper cost per reply to our coupon offer, than any other Picture Paper in the Country.

“We receive three replies from our advertisements in the ‘Daily Sketch’ to two from any other daily Picture Paper.

“In our opinion, the ‘Daily Sketch’ is by far and away the best Picture Paper advertising medium in the Country when value for money is considered.

For publicity that pulls the DAILY SKETCH should be used.

ULRIC B. WALMSLEY, Advertisement Manager,
The Daily Sketch, 200, Gray's Inn Road, W.C.1.
Phone: Museum 9841.

within the British Empire. Surely, the Exhibition would have been just as successful had the word 'international' not been used at all. Or was this word used wrongly—consciously or unconsciously (because it could not be in the interests of imperial advertising to proclaim the Colonies and Dominions as foreign nations)?

"The influence of this Empire-Trade-Politics was so strong that it appeared at once exaggerated

"But we have seen much more, quite apart from the fact that we have noticed dangers of this policy, in regard to other export markets of Great Britain.

"We have seen that the excellent English advertising men can popularize such a trivial article as mustard much quicker and more efficiently than can the founders of Olympia induce the British public to spend a penny more on Empire goods.

"There is no doubt that the Empire Advertising Activities are dictated by a very wise—though egoistic—policy. Inducements to buy British goods shall not be Quality, Price or Value, but simply the little word 'British.'

"The word 'Imperial' is meant to be a magic word with which to reduce British unemployment figures.

"... To the thousands of visitors and delegates the Exhibition and Convention were something big, 'an impression' But I am certain that had it been an international Exhibition, it would have been something more than 'an impression'—it would have been an 'instruction, enlightenment—experience.'"

"VENDRE," PARIS, FRANCE, AUGUST, 1927.

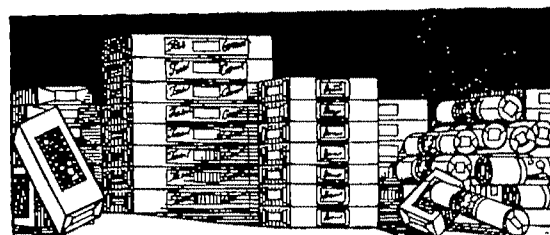
"... Although essentially British, the Convention had a certain amount of interest for those who could understand English.

"The programme was well arranged, although there were too many luncheons, and banquets, and dances, and receptions

"But then there was the all-too-important reunion of the Continental Delegates.

"The Exhibition itself offered little new and interesting to Continentals who are no doubt spoiled somewhat in their own respective countries.

"The Empire Marketing Board Activities . . Will they really make a united British Empire? This huge British Empire Firm with head office in Europe? The future will tell. . . ."



Builders of goodwill

Everywhere they go your parcels advertise you and the better they are packed the greater their free advertising value

Well packed parcels, labelled with well designed, brightly printed Gummed Labels and sealed with printed Gummed Tape will keep your products safe in transit and be real goodwill builders on their journey.

Ask your Printer for our free booklet on the art of attractive packing. It shows you how to make—
**EVERY PARCEL
A TRAVELLING
SALESMAN.**

Use
**Gummed
labels**

quicker
cheaper
cleaner

Advt. of
Samuel Jones
& Co., Ltd

Commonsense Methods of Business Building.

(Continued from page 107)

advertising department—as an inspiration—instead of to his buyer. Indeed it is often a standing order in large offices for all good examples of sales literature to go straight to the advertising department!

WHAT IS SALES LITERATURE?

Because of this I always include in the description "sales literature" such mundane things as catalogues, price lists, order forms, information or instruction books, specifications, notifications of service developments or new lines, and all forms of bulletins to customers.

It is far better for a firm to put salesmanship and sound advertising into the production of these articles and then distribute them generously than to spend large sums of money on "smart" folders.

The articles mentioned above are all designed to help the customers and prospective customers to do business with the firm and these are the items of sales literature that relieve the travelling salesman from routine work.

Next month I shall deal with methods of obtaining replies to sales literature and the relative uses and merits of catalogues, leaflets, booklets, folders, reply postcards, calendars, etc.

Commonsense Methods of Business Building.

By CUNLIFFE L. BOLLING,

*Author of "Commercial Management," "Sales Management," etc.
Lecturer in Salesmanship and Advertising to the Polytechnic, London, W.*

IX.—How to conduct Postal Publicity.

In this series of articles, started in the March issue, Mr. Bolling has outlined the principles of modern sales management and dealt with press and outdoor publicity.

The articles to come will cover the employment of salesmen and agents and will deal with the conduct of showrooms, exhibitions, etc.

POSTAL publicity differs essentially from press publicity and outdoor publicity in that it is addressed directly to the prospective customer, whereas the other two are indirect in that they are broadcast to the world at large in the hope that they will attract prospective customers.

Direct application is the great advantage of postal publicity, and the advertiser who sends sales literature through the post should therefore pay particular attention to the selection and classification of the addressees. If the literature is sent out at random it will be no more direct than press or outdoor publicity.

As in the case of all other kinds of publicity, postal publicity must be published continually and systematically so that the advertiser's offer of service is brought before his prospective customers at regular and frequent intervals.

The first task is to find out the persons or firms who are the best prospects and the second task is to keep them regularly posted with literature. The third task is to keep them regularly posted with sales literature.

BUILDING UP A MAILING LIST.

To meet these requirements the advertiser usually builds up a "mailing list" in card index form containing the names and addresses of selected prospects and uses this list repeatedly in distributing his literature.

A trader establishing a new business will have to obtain a "ready made" mailing list to start with and he can either purchase this list from

one of the agencies that specialise in postal publicity work and the compilation of classified lists of all types of individuals and trading concerns or obtain a trade or classified directory and compile his own list.

The relative value of the lists to be obtained from these sources will naturally depend upon the nature of the service offered, the class of prospect to be approached and the directories covering that class that are available.

Traders whose service is suitable for all the persons or firms in a class will be able to use the ordinary classified directories, but when the trader's service is only suitable for a section of the persons or firms in the directory the inclusion of all the names in the mailing list will be a great waste of money.

As an example it may be mentioned that there are nearly 100,000 (one hundred thousand) grocers in the British Isles—a figure that may astonish many readers! Now this figure includes every person who calls himself a grocer and therefore appears under that description in the directories, and the entry in the directory usually gives no indication of the size or class of his business.

LIMITED VALUE OF DIRECTORIES.

The entry "John Roberts, 1742 Long Road, Westvale" may represent a prosperous merchant who is a possible buyer of all classes of merchandise and of shop fittings, furniture, advertising space, cash registers, refrigerators, bacon slicing machines and delivery vans, or a strugg-

ling tradesman who is living from hand to mouth and buying all his supplies from one wholesaler.

The very small fry can usually be cut out by using the classified *telephone* directories instead of the complete classified directories, but there still remains the danger of wastage through clumsy classification by the compilers of the directories and the fact that the advertiser's offer of service may only be acceptable to a section of the persons included in the classification. This is usually the case.

It follows that if an advertiser does use the classified directories in compiling his mailing list he should only do so as a temporary measure, until he has been able to "weed out" the hopeless cases from the prospective customers.

POSTAL PUBLICITY AND TRAVELLING SALESMEN.

When the advertiser employs travelling salesmen this "weeding out" will usually be done by them, and plans will be made for every person or firm upon the mailing list to be called upon by a salesman within a reasonable time after the first literature has been sent out.

Postal publicity is used to its best advantage in co-operation with travelling salesmen, as it can do valuable work in preparing the way for them and in maintaining the prospective customer's interest between the salesmen's visits.

The sales literature that goes ahead of the salesman should be designed to interest the prospective customer in the advertiser's offer of service and lead him to grant an interview to the salesman. If this is properly done the salesman will be able to obtain a greater number of interviews upon first calling and will be able to get down to business far more quickly. A salesman who has not the benefit of this preparation of his territory will often be unable to obtain one interview in every ten calls he makes and when he does obtain an interview the scant time allowed him by the buyer will all be taken up in introducing himself and his firm.

The sales literature that follows the salesman will be designed to retain and further the interest created by his visit and to bring the customer into close touch with the sales office so that he will deal with that office directly and the salesman need not call so often.

GETTING CUSTOMERS TO USE THE POST.

It is almost impossible for a manufacturer or wholesaler to do entirely without travelling salesmen, but it is sound policy for the customers to be induced to send their orders and remittances to the office instead of the salesmen having continually to dance attendance upon them.

The cost of each salesman's call is an item to be considered in sales management. Sixty effective calls per week is quite a good average for a salesman in many trades so that if he only earns £6 per week and his expenses are only £3 per week the cost of each call he makes is 3/- With some speciality salesmen who are high salaried and have to entertain and spend a considerable time over each customer the cost per call may be over £1.

There is the further point that routine calls cramp the style of a first class salesman and prevent him from giving special attention to the customers whose business can be worked up to larger proportions and from prospecting for new customers.

When a salesman is calling upon prospects whose names and addresses have been obtained from classified directories it will be for him to say whether or not each prospect is worthy of a place on the mailing list. If he finds that a prospect given to him is hopeless, he should mark his first report, "Take off mailing list" and give the reason for his decision. By this process of elimination and by adding the names of new prospects who are discovered, the advertiser will gradually build up a mailing list of customers and prospective customers that will be a valuable asset to him.

When sales literature is sent out at cheap postage or "Printed Paper" rates the envelope should bear the name and address of the sender, with the request that it be returned to him if undelivered. Unless this is done, undelivered printed papers are destroyed and the advertiser may go on wasting money by sending further literature to be so destroyed.

The Post Office makes a charge for returning printed papers to the sender, at the same rate as originally paid, but it is worth this cost to be able to remove a "dud" name and address from the mailing list and so save a salesman a "wild goose chase."

When postal publicity and travelling salesmen are used in combination, their work must synchronise perfectly and very careful attention must be paid to the question of territories.

AREA CONCENTRATION.

Here again, that important factor in advertising, area concentration, comes into the question. The advertiser should take one district of reasonable size at a time, concentrate his salesmen and his press, outdoor, and postal advertising upon it and keep his forces focussed upon it until a satisfactory volume of healthy, stable business has been built up.

When this objective has been achieved, the pressure can be removed to another district, leaving the first district in the care of a sales, advertising and service organisation that is sufficiently powerful and efficient to retain the business that has been won.

In this connection it may be helpful to point out that travelling salesmen can often be of considerable assistance to an advertiser who is building up a mailing list.

If, for example, he is seeking to compile a list of the confectioners in South Wales who are large enough to be prospects for the purchase of a soda fountain, any intelligent salesman who has travelled that district calling upon confectioners will be able to go through the classified directory and tick off the names of the likely prospects.

This service is neither difficult nor costly to obtain and the salesman need not be employed by the advertiser or in the employ of his competitors so long as he is calling upon customers in the same trade.

In some cases the advertiser may find it advisable to divide his prospective customers into different classes and have a separate mailing list for each, either varying the sales literature sent out so that it appeals more particularly to each class addressed or varying the frequency of distribution so that the best prospects are kept well posted and the doubtful prospects are just "kept going."

No effort should be spared to make the message conveyed by the sales literature as personal and intimate as possible, and in dealing with people of the better class any suggestion of "circularisation" should be avoided.

SHOULD ADDRESSING MACHINES BE USED?

This brings us to the difficult question of whether or not it is safe to use addressing machines in distributing sales literature. The addressing machine has obvious advantages in that the whole mailing list can be run off upon envelopes in a fraction of the time that would be taken to address the envelopes by hand, and that if the address given on the machine plate is correct, that on the envelope must also be correct, whereas when envelopes are addressed by hand there is always some percentage of errors. The addressing machine plates can be kept card index fashion in any order that the advertiser wishes so that there is no need to maintain a card index as well.

Offsetting these advantages there is the fact that a machine addressed envelope stamps its contents as "a circular."

I do not think that this is fatal to the sales

literature, because I have repeatedly proved that the vast majority of people do open and read obvious circulars, but it detracts a certain amount of "status" or "tone" from the communication. Very few people can resist the temptation to open an envelope, even if it obviously contains a circular, but they do not open it with the same eagerness or interest as they would open a more intimate looking letter and if the contents do not incite interest *at the first glance* they are doomed to the waste paper basket.

It may be held therefore that if the message is a first or important one and the expense is justified, the envelopes should be typed or hand-written and sealed, full letter rate postage being paid on them. When the occasion is not so important machine addressed envelopes, unsealed, and stamped at printed paper rate, may be used, but the sales literature enclosed must be made so much more attractive. It must incite the recipient's interest at first glance and retain his interest until its message has gone home to him.

If sales literature could only write reports as salesmen have to, many advertisers would change their ideas and their methods.

"Thrown straight into the waste paper basket" would be the report of the leaflet that failed to incite interest. "Torn up and thrown away" would be the report of the circular that offended the recipient's taste. "Kept by the girl who opened the letters" would be the report of the novelty that was attractive but not businesslike, and "Sent to the advertising department as an inspiration" would be the report of the folder that was more smart than informative.

STICK TO BUSINESS.

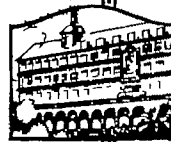
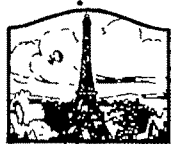
It is not sufficient for the sales literature to be attractive and interesting. These it must be, but it must also be constructive of business. "Stick to business" is one of the first principles of advertising.

This necessity for sales literature to be business-like is frequently overlooked by advertisers who pride themselves upon the "smartness" of their publications. It very often happens that a simple leaflet announcing a new line, neatly printed and giving the customer all the information he needs to have about the line will "pull" far more enquiries than a showy folder that cost forty times as much to produce.

It must never be forgotten that a piece of sales literature may be received by the prospect as one of two things. He either looks upon it as a business communication or as an example of publicity matter.

Very often a brilliant folder goes before the principal for distribution and he sends it to his

(Continued on page 104)



The **LINGUIST**

THE MONTHLY MAGAZINE
DEVOTED TO FOREIGN LANGUAGES
LITERATURE, ART AND TRAVEL



6^D
Monthly

Of supreme interest to
Business Men, Travellers, Students,
AT HOME AND ABROAD.

6^D
Monthly

EACH ISSUE CONTAINS
Practical Conversational Lessons
IN
**French, German, Spanish, Italian,
Russian, Afrikaans, Esperanto.**

COMMERCIAL CORRESPONDENCE
IN VARIOUS FOREIGN LANGUAGES.

Travel Talks. Literary Extracts. Competitions.

Interesting Articles by Prominent Experts dealing
with Foreign Languages, Art, Travel, etc.

6^D
Monthly

NOVEMBER ISSUE NOW on SALE.

At all Newsagents, W. H. Smith & Sons' Bookstalls, or direct from

"THE LINGUIST,"

25, Napier House, 24-27, High Holborn, London, W.C.1.

6^D
Monthly



How a Market Investigation Discovered a New Selling Angle.

By H. G. LYALL, F.C.I.,

Director, London Research Bureau.

The problem of "copy" like the poor, is always with us. The Nemesis of advertising ingenuity is a demand for greater and still greater genius. The practical experience related below, suggests a new angle.—EDITOR.

THERE must be dozens of clever young men scattered all over the country but with their greatest concentration in London, who are constantly searching their brains to discover new, original and interest-arresting copy angles for the products on behalf of which they labour. Now and then one of these young men gets a really inspired idea and from it is evolved a line of copy which becomes a tremendous business asset to the manufacturer for whose product it was designed. But in spite of these occasional successes there is a great deal of wasted effort, due to the work being done from the inside outwards instead of the process being reversed.

Copy men are acutely aware of this. They have found it helpful to study their clients' products at first hand, and a visit to the factory has become an accepted preliminary to the preparing of copy, but helpful though this is, it is not enough. Copy men are always groping, consciously or subconsciously, after what might be called the mind of the public. Any help they can get towards a clearer understanding of the needs, prejudices and preferences of the public, especially in relation to their own particular

problems, is eagerly seized upon. The results of dealer investigations, or better still, consumer investigations are being turned to good account by copy and ideas men in several of the service agencies in London and the provinces. In fact, Market Research is creating a new approach to the whole process of copy writing. To demonstrate what I mean I should like to give the following example from my own experience.

On behalf of a nationally advertised household product someone had suggested a new copy angle, but before this new angle was advertised it was decided to put it to the test of an investigation. The new angle was in the form of a new use for the product or rather one that had not been advertised heretofore, and the first object of the investigation was to find out what percentage of housewives were already using it for this purpose. This was the first suggestion put forward, but the final form the investigation took was to secure data from which other selling angles might be evolved. In other words, the investigation was directed to discovering as many as possible of the uses to which the product was being put and what percentage of the total number of house-

wives interviewed was using it for each purpose mentioned

We were going on the very sound assumption that if housewives had discovered new uses for the product in question for themselves then these new uses might conceivably be turned to good account as new selling angles. Of course much would depend on what the uses were and on what percentage of housewives had discovered these new uses for themselves or had had them brought to their notice by friends.

The investigation was purely a consumer one. Five thousand successful interviews spread over ten centres were secured and the results analysed according to class and area.

The results were exceedingly interesting. We found that the product was being put to no fewer than 35 different uses. The chief of these were some of the uses for which it had been advertised, but not all of the uses for which it had been advertised were the chief uses. The product had been advertised as having some half dozen uses. Two of these we found were the chief uses to which housewives were putting it, but the 3rd largest use was one that had never been advertised at all. In fact, some twenty per cent of the housewives interviewed were using the product for a purpose for which it had never been advertised and the only reasons why the other 80 per cent. were not using it for the same purpose was that it had never occurred to them and it had never been brought to their notice. The use which had been suggested in the first instance as a likely selling angle was also found to be quite popular, as were several others of the new uses we discovered.

In addition to discovering new uses for the product we discovered the reasons why the particular brand was preferred to any other and some of the reasons were new to our clients. It will be seen from this that the investigation revealed ways which would lead to a larger consumption of the brand in question provided the proper means were utilised. As a matter of fact the firm in question got enough data to keep its copy men going for quite a long time preparing a whole new range of copy.

In America much more copy is based on preliminary research work than is the case in this country. The whole of the advertising for Pyrex is evolved from information supplied by housewives on the kinds of dishes they cook for their families at various seasons of the year and the results they have secured by using Pyrex. Copy angles were recently secured for a new flour by asking housewives what they looked for in the flour they bought, purity, lightness, colour and so on.

To know how little you know is wisdom:

but to set about learning a little more is practical commonsense.

Are there any gaps in your armour? Can you face, with perfect confidence, the arduous demands that will be made upon your fund of knowledge and resource during the next few months?

If you are at all doubtful, **waste no time.** Begin at once an appropriate course of postal studies with the

College of Advanced Transport

an organisation specially founded to look after the case of the senior executive, who, while conscious of his own weak points, does not intend that all the world should know them.

If you cannot, or do not care to, attend evening classes—and it is certainly not desirable to sit alongside your assistants in the lecture hall; if such text books as are extant do not go far enough for you; if you want to get to the heart of things and become a leader in the transport profession, send at once for our prospectus, which offers courses in:

Railway Economics and Operation.

Road Transport "

Port " "

Air " "

Canal " "

The Rights and Duties of Transport Undertakings.

The Economic Development of the Great Powers with special reference to Transportation.

The Law Relating to Transport.

British Railways and Industry—the current situation.

Advanced Industrial Transport Problems

at prices that will suit your pocket, and by methods that will command your constant appreciation—and recommendation.

Vast changes are in progress in the transport world, and unless you move with the times you may be passed by a young competitor. Don't hesitate, then, but send along the subjoined form at once. Mark your envelope "**Confidential**". your instruction will be respected.

The Principal, College of Advanced Transport,
17/18, Water Lane, Great Tower Street, London, E C 3.

(a) I could do with a private refresher course in

Please let me know what suggestions you can make to meet my individual case

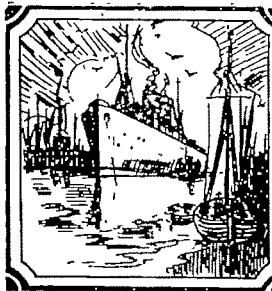
(b) Being over 25 years old I am thinking of taking the Institute of Transport examination next year. Please favour me with your advice as to choice of subjects, and indicate how I can most readily qualify for the A.M. Inst.T. degree.

NAME

ADDRESS

AGE

PRESENT APPOINTMENT



Shipping and Transport



Current Transport Notes.

By "ALADDIN."

KEARNEY HIGH-SPEED TUBE RAILWAY.

THE inventor of this has at last, by prodigious efforts, brought his idea very near to a practical test in the proposed Tyne Tube between North and South Shields. The Minister of Transport's Provisional Order has been secured, and, subject to a settlement of outstanding financial problems with the adjacent local authorities, it is hoped that constructional work will begin next year. The first Kearney High-Speed Tube Railway should be open to the public eighteen months later. The estimated cost is £300,000, but Mr. Kearney believes that the actual cost will be substantially less, for the line between North and South Shields will be a single tube only, in which one train will run backwards and forwards. There will be no lifts or escalators, for the stations will be immediately beneath street level. From each station the line descends by means of a gradient of 1 in 7, which will carry the tube under the River Tyne 42 feet beneath the bed of the river in the centre. These gradients not only save the heavy expense of deep level stations with subways and lifts, but also save largely on the cost of operation and double the average speed of the train. The journey time from start to stop in either direction will be 50 seconds only, so that, allowing time for passengers to get in and out—the train will run between two platforms, one for arrival and the other for departure—a service can be given in each direction every three minutes with the one train.

At present a journey from the centre of North

Shields to South Shields takes 20 to 25 minutes, and the fare is threepence—twopence on the ferry and one penny on the tram. The Kearney Tube proposes to charge twopence for the whole journey, and will do it in less than one minute. Such facilities will probably encourage many more people to cross the river during a year, but even on present movement (about five million passengers a year) calculations show that a liberal profit will be made on the capital cost.

Already the bearing of this invention upon the London traffic problem has been appreciated. As long ago as January, 1925, Colonel Moore-Brabazon, M.P., Parliamentary Secretary to the Ministry of Transport, received a deputation, including representatives of several county councils and London local authorities, who urged the Government to provide, through the Trade Facilities Act or otherwise, facilities by the provision of a guarantee upon an adequate amount of capital and the granting of powers to enable the first section of the Kearney Tube Railway to be constructed at once with a view to the widespread adoption of the system to meet the transit requirements of modern London. In particular, a Kearney Tube between Woolwich and North Woolwich was recommended.

Colonel Moore-Brabazon expressed keen interest in the possibilities of the invention as a solution to the London transport problem. No more money could be found for extensions of the present tube systems, and therefore any method which promised greatly reduced costs deserved

support. The only possible objection that might be raised was the impossibility of running through trains on the existing lines, but this did not appeal to him as serious, for already one had, perforce, to do much of the intercommunication between one line and another on foot.

We commend this whole subject to the close study of agitators for improved passenger transport.

TRADERS' SEASON TICKETS.

The railway companies appear to have realised the anomalous position in which they have been placed by the decision of the Railway Rates Tribunal in the matter of the proposed increase in the rates for traders' season tickets, and have recently been communicating to firms and associations their decision not to increase rates, for the present, beyond 10 per cent. above existing prices. Evidently the prompt action of trade associations has been partially effective. Several well-known firms at once made it clear that any serious increase in the traders' season rates would at once mean the wholesale termination of such tickets, and scores of travellers would be supplied with light motor-cars instead.

WEST AFRICAN TRANSPORT PROBLEMS.

A traffic man just back from West Africa tells us of the many difficulties confronting a road transport organiser there. Petrol costs about 2/6 per gallon, and oil of varying grades about 5/- per gallon, while native drivers have little idea of economy or of caring for their vehicles. Their main idea is to "get there" as quickly as possible. The faster they can travel, the better they like it, despite heavy loads and bad roads. Whether a lorry does 10 miles to the gallon or 2 miles is no concern of the native. One hears of many tricks tried from time to time—such as selling petrol and then complaining of a broken petrol pipe or loose connections: private work done in the far bush for a friendly native between villages, and then a complaint on arrival that there was "plenty trouble" on the road, and thus delay. Another trick is to wait until nightfall, when returning with a full load of produce from the bush, and pick up passengers and goods between villages, dropping them about half-a-mile out of the destination. The money thus collected goes into the driver's pocket, or is handed over to a friend on the spot to be taken away for the time being. Heavy penalties are inflicted when anybody is caught, but native memories are short.

PILFERAGE OF CARGO.

Renewed complaints of heavy losses through pilferage of cargo sent overseas—especially exports to Australian ports—have caused some

excitement among underwriters and shipping agents. They have also given a fillip to the publicity efforts of inventors of anti-pilferage devices and safety cases, of which there are a number on the market. Transport managers do well to keep this point well in mind, in association with the packing staff.

TRAFFIC SERVICES, LTD.

Mr C. R. Taylor, F.S.S., F.C.I., and Mr. J. A. Dunnage, F.S.S., F.C.I., A.M.Inst.T., wish it to be known that they have withdrawn from the Board of Directors of Traffic Services, Ltd., and no longer have any responsibility for the running of that business or of the National Traffic College. The remaining directors are Messrs. George Thompson (Managing Director) and Horace Thompson (Secretary), both of Press Services, Ltd. The registered offices of the Company remain at Ocean Chambers, North John Street, Liverpool.

The retiring directors have taken offices at 17, Water Lane, London, E.C. 3, from which to develop their journal "Transport Management," a copy of which will, we understand, be willingly sent to any interested enquirer. The aim of the journal is to advance the interests of the Industrial Transport profession and assist in making British transport more efficient.

GRAVESEND SEA SCHOOL.

This daring and romantic experiment, one of the good things which arose out of the evil of the war and has come to stay, is financed by the principal shipping companies and is ready to give free training, both ashore and afloat, to suitable healthy lads, who on passing out are guaranteed a proper start in the mercantile marine. Thus an organised and well-conceived scheme is in operation to replace the heavy losses in personnel due to war conditions.

PRINTER SERVICE and GOOD PRINTING !

We offer you both at a price which makes your Posters, etc., a Commercial proposition. Ask for particulars.

REGENT COMMERCIAL INSTITUTE Ltd.

*Letterpress and Lithographic Printers,
Commercial and Heraldic Stationers*

VIGO HOUSE, EARL ST., FINSBURY SQ.,
LONDON, E.C. 2.



A service of practical value to Manufacturers and Exporters seeking new Markets, and to Importers desiring to handle new lines, with Market Surveys See Editorial Notices on page 66.

Specially written for "B O M."

By C. W. FRERK,

Delegate, International Economic Society

THE necessity for Market Study, as a definite means of furthering and increasing British export trade has been preached in these pages for some months. In this issue we will deal with that complex of markets at our doors, which is characterised by a marked economic chaos—EUROPE.

An extremely interesting interview with a leading German economist, Professor H. K. Frenzel, of Berlin, during a recent tour of the Continent prompts the idea. Other experiences and interviews during that tour have contributed to the conviction that economic co-operation between all the European countries is the key to the solution of all European trade problems.

The foremost theme of discussion in economic circles on the Continent is the necessity for a **CUSTOMS AND COMMERCIAL TREATY UNION IN EUROPE.**

When Monsieur André Kaminker, of Paris, made this his chief subject of his address to the German Advertising Convention held at Munich, in the second half of September, his outline of the benefits of such Union was received with tremendous enthusiasm, not only by business and advertising men, but also by members of the Government who were present that evening. Delegates from England, Holland, Sweden, Denmark, Switzerland could not help being convinced of the urgency of definite inter-European negotiations of this vital subject.

ECONOMIC CHAOS OR ECONOMIC UNITY?

Germany seems to be determined to get at the root of the economic chaos in Europe. The

German Government has commissioned Professor H. K. Frenzel with a most interesting investigation and demonstration—a practical demonstration, by means of a giant exhibition, of the trade-political problems of Europe.

The following is a condensed outline of Prof. Frenzel's theory and programme.

If we transfer the same area which is covered by the United States of America, to Europe, we find that both are approximately the same size, that both have almost the same quantities of natural resources. In some respects Europe is even at an advantage. Europe has more timber, more precious metals, such as platinum for instance, which is not yet being found in the States. Let us now consider the economic development of both continents, and here it is evident that in practically all directions the United States can claim an advance in economic-technical superiority, which, especially during the last few years, has become a considerable danger to the entire industry of Europe. We have long since recognised the causes and reasons for this superiority. We have tried to create a balance by adopting American working and business methods. But we are not reaching the crux of the problem. The essential factor in American methods is the creation of a large turnover in the home market. It is evident that the economic area at home must always form the basis for the development of industry.

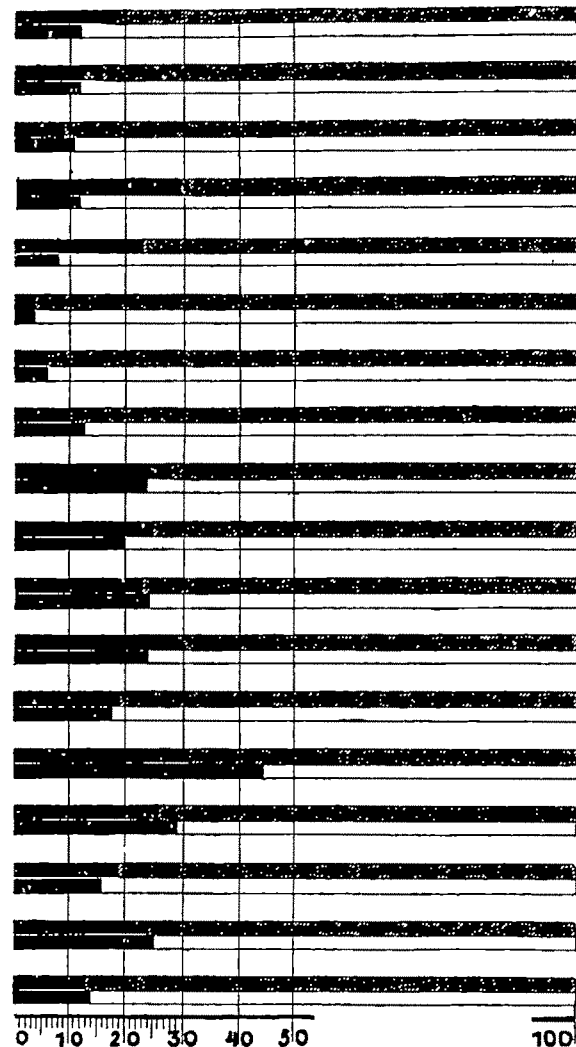
However, on account of the war and of inflation, industries have grown up in certain middle European countries, whose production exceeds

the present demand of the individual home market. Why is it that this vast area of Europe cannot show the same prosperity as America? Undoubtedly it is because Europe is split up by so many frontiers with their appertaining customs barriers. The language differences are not such a great hindrance to the trade in general. Although the recent economic conference has voiced its intention to decrease tariffs gradually, in practice we find entirely the opposite movement. Dr. Curtius, the German Minister of Economics, announced a reduction of industrial tariffs, but Dr. Schiele, the Minister of Agriculture, introduced new rates on potatoes and sugar.

In order to drop all duties, it would, of course, be essential that all European countries had a stable gold - standard currency. Are the difficulties which arise out of this indeed so great that they could not be overcome, to the economic advantage of all countries concerned? The various experiments and suggestions which have recently come to light, and which tend to solve this question, have so far been the concern of a very limited circle of business men, industrialists, and economists. It has not been possible to make these ideas, the Economic Union of Europe, a problem for the general business community, and for the public at large, although this is so vitally important; because only when the idea is really popular, will it be brought to realisation. Professor Frenzel has, therefore, been instructed to demonstrate the entire complex of these economic problems, by means of a giant demonstrative exhibition. This exhibition will reveal which natural resources are avail-

able in Europe, to what extent they have been or are being exploited, and which have yet to be materialised. Furthermore, the exhibition will give an analysis of Europe by raw materials, working in-

GERMANY
AUSTRIA
SWEDEN
FRANCE
BELGIUM
HOLLAND
DENMARK
SWEDEN
POLAND
CZECHO-SLOVAKIA
HUNGARY
JUGO-SLAVIA
ITALY
SPAIN
U.S.A.
CANADA
AUSTRALIA
INDIA



■ Burden on trade by home tariffs.
□ Burden on exports by foreign tariffs.

dustries, consumer areas, over - production and under-production, which will demonstrate the possibilities for further development, by the elimination of customs barriers,

Statistics compiled by Professor Frenzel prove that the entire trade of 13 European countries is carrying a customs burden of approximately 30 per cent.

THE EXHIBITION.

The centre of this Exhibition will be a plastic map of Europe on a very large scale, so large in fact that people will be able to walk upon it, stepping from one European country into another, seeing on their tour the various economic areas of Europe, and their division by frontiers and customs barriers. The whole map will represent the economic statistics of Europe in a plastic form. A pile of coal placed upon this map will indicate where coal is mined, in the timber producing areas there will be trees and timber yards on a miniature scale, and thus all through Europe on this plastic map the various natural resources, as well as industries and other economic factors will be practically demonstrated. Leading economists will explain the whole structure of each country, and their relations to neighbouring countries, and to Europe as a whole, the burden of duties on home consumption and trade of each country, the economic advantages to be derived by economic balance. The chief points to be demonstrated, however, are that most countries derive no benefit worth mentioning by their tariff walls, but that such apparent benefits are rendered nil by the cost of tariff administration.

In connection with this practical demonstration, a number of economic films will be shown, and it is proposed to hold exhibitions and demonstrations in every important economic centre of Europe, including London, Birmingham, Manchester, Edinburgh and Glasgow.

We are the first to announce this big scheme in this country, and we hope that British business men, industrialists, economists, as well as the British public will be just as interested in the solution of the economic problems of Europe as are our Continental neighbours, because there is every evidence that the Continent of Europe will be Great Britain's greatest market, every aspect of which we must study in all details. We in Great Britain must know more about the Continent of Europe than we have hitherto cared to bother about.

It was noted with great satisfaction that interest is shown in everything that is British on the Continent. "British Made" is as much a hall mark of "Best Quality" in Germany, Holland, Switzerland, France and other Continental countries as it is at home; it is apparent, however, that British manufacturers do not show

the same courageous enterprise in Germany as do American manufacturers, the number of whose products is increasing rapidly; they find their way even into the smallest consumer areas in provincial towns and villages, by virtue of carefully planned sales and advertising campaigns, which are evidently based upon a thorough study and analysis of the market conditions, consumer habits and requirements—which have been the object of our "sermons" on market research, which will be resumed in a more practical and demonstrative form, in our next issue.

Map your Markets!

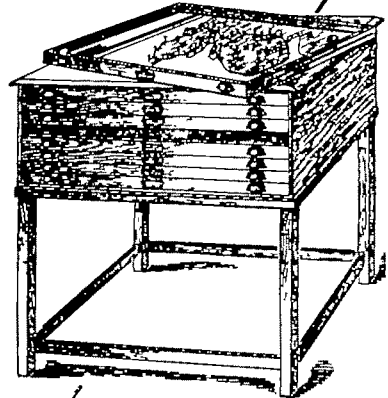
with the aid of

PHILIPS' MAP AND TACK SYSTEM

Provides in an efficient manner a close record of Travellers' journeys and the means of keeping a check on sales in various districts.

Enquiries
invited for
Map Record
Schemes of
every
description

The example
illustrated is
only one of the
many outfits
which we can
supply



GEORGE PHILIP & SON, Ltd. (A Dept.), 32, Fleet Street, LONDON, E.C.4

Direct the demand at large to YOUR products, create demand by virtue of your acquaintance with your market and your consumers—that is what "B.O.M." stands for.

There is hardly a problem of international marketing which we could not solve or advise upon—it is left to our readers to make use—every day if they like—of the comprehensive services extended to them by our world-wide organisation. Consider your "B.O.M." as an instrument of service.

INTERNATIONAL MARKETING HINTS.

IMPROVED OUTLOOK IN THE ARGENTINE.

THE general course of the import trade is normal and business very satisfactory.

Commercial failures for August showed assets \$8,386,359 paper, the liabilities being \$8,512,015, which is only half of the July total; a decided improvement in the situation.

The trade in dry goods is good; new orders and collection of outstanding accounts are both better. The Bank of London and South America says that a certain amount of the difficulty experienced in the collection of accounts may be attributed to shippers who are often far too ready to deliver goods on open account, and also are lacking in precision when giving their instructions regarding the terms under which drawees of bills have access to the merchandise.

Authority to revise goods before acceptance means, to take one instance, that if the documents are in the hands of a bank, they must be handed to the acceptor, or endorsed over to the agent of the shippers, thus freeing the goods from the bank's control for the time being. It does not appear to be generally understood abroad that all goods entering the Argentine must pass through the customs, and that the regulations governing the routine of this department make little allowance for error. Moreover, as but eight days are allowed after arrival of steamer for declaring goods delay in receiving the relative documents is bound to cause trouble. These matters must be strictly observed by manufacturers shipping to the Republic, as otherwise they may experience many disappointments.

In cotton textiles the Italians are doing a good trade, their prices being generally 5 per cent. below Manchester quotations. The Italian shippers quote in Argentine paper, U.S. dollars or sterling, as the buyer may prefer. High-class fancy prints and poplins are selling well, as are the fine voiles, and the various materials used for women's underwear.

Woollen cloths are being bought cautiously. Mercery lines are reported to be showing better movement, France and Czechoslovakia supplying the greater portion, especially fancy silks in novel designs; the same applies to dress goods and dress accessories.

Germany supplies large quantities of bazaar

goods, art goods, porcelain, semi-porcelain, glassware, and articles of celluloid, galalith and similar compositions.

Imports of rough goods are still comparatively low, and practically the whole of the iron and steel, as well as the cement, has come from the Continent, iron, steel and wire coming from Belgium, and the bulk of the cement from Scandinavian ports.

Industrial machinery is selling well, though in most cases buyers ask for facilities, especially in the printing trade, where supplies are coming almost exclusively from Germany. Germany has even recovered a fair share of the trade which American firms had secured during the war. This business is extremely important, owing to the astonishing growth of the demand for cheap illustrated reviews, magazines, pamphlets, fiction and light literature.

Coal arriving during August amounted to 147,729 tons, of which 142,336 tons came from the United Kingdom and the remainder from Germany.

The imports of machinery, both industrial and agricultural, as well as accessories, tools, spare parts, etc., are increasing visibly, and British manufacturers should cultivate this market intensively during the ensuing months.

LIST OF ARTICLES NOW EXEMPT FROM DUTY ON ENTRY INTO TURKEY.

As Turkey, under the progressive regime of Kemal Pasha, is of increasing importance to British exporting industries, it is interesting to note that the following articles are now exempt from duty.—

- Works of art for Turkish museums.
- Arms, munition, powder and other military material, when ordered by the Government.
- Machinery and instruments for the establishment of factories.
- Raw materials used by newly-established industries.
- Horses, cattle, sheep, for breeding purposes.
- X-Ray apparatus and accessories
- Motors, dynamos, radium, for X-Ray purposes.
- Office equipment and stationery.
- Material for railway construction and electric power stations.
- Agricultural machinery and implements, tools.

IMPORT OF WIRELESS GOODS INTO BULGARIA NOW PERMITTED.

The Bulgarian Minister of Transport has now given his permission for the import of wireless goods into Bulgaria. All wireless goods, complete receivers, as well as spare parts and accessories, are subject to the same duty as telephone accessories, which is 800 gold lewa per 2 cwts. At the same time, a tax, octroi, of 20 per cent. of the amount of duty paid is levied. Eight hundred gold lewa are approximately 12,000 paper lewa, so that 2 cwts. of imported wireless goods are now subject to payment of duty and tax of 14,400 lewa.

INSTRUCTIONAL, EDUCATIONAL FILMS FOR URUGUAY.

The Liceo Departamental of Colonia, Uruguay, is very anxious to secure instructional and educational films. Offers with prices and descriptions in Spanish should be addressed direct to the Liceo.

BUSINESS WITH JAPAN.

The Osaka Municipal Office Department of Commerce and Industry has been established at Osaka, Japan, for the purpose of assisting with information and advice such manufacturers who wish to open business connections with Osaka. This bureau will, upon request, name reliable agents or representatives, and will offer every facility in the way of bringing supplier and buyer together. Manufacturers should give full details of their wishes, and send their catalogues and price lists in duplicate, one set of which will be placed in the department's reference library.

SOME CHANGES IN "B.O.M. INTERNATIONAL SECTION" IN 1928.

We propose to improve this section, extend its services, make a few changes, and introduce new practical features, beginning with the January, 1928, issue. In order to achieve this object and make these pages of more definitely practical value to our friends, we invite suggestions and communication of special wishes, on the following lines:—

- (1) Which subjects of international marketing would you like to see treated more regularly and more widely?
- (2) Which markets?
- (3) Which industries and trades?
- (4) Would you prefer—
 - (a) A monthly comprehensive survey of one export market, such as has been done hitherto, or
 - (b) Condensed practical surveys of marketing possibilities in several markets in one issue, on the style of our "International Marketing Hints," but more comprehensive, perhaps one or two columns for each market?
- (5) Would you like to see examples of actual market research and analyses undertaken for a product in foreign and overseas markets?
- (6) Do you want us to reintroduce the Statistical Survey Supplement, similar to those which we published in connection with our Market Surveys of Holland, Egypt, Germany?
- (7) "Enquiries for Goods and Agencies."—Would you prefer to see these classified by—
 - (a) countries, or
 - (b) nature of goods required or offered?
 - (c) Do you wish to see a greater number of enquiries published?
- (8) Are you interested in—
 - (a) Lectures on Export Marketing, Export Organisation, Market Research, Export Sales and Advertising Campaigns, etc., at our offices?
 - (b) Fortnightly or monthly discussions and debates on export problems at our offices?
 - (c) Individual consultation on YOUR export problems at your own or our offices?
 - (d) Lectures to the staff of YOUR export department?

As we are determined to expand the entire complex of service in connection with the International Section, making it an instrument of definite and practical service, making it something which YOU NEEDED—we trust that our readers will write and tell us what are their wishes or suggestions at a very early date, so that we shall have ample time to prepare new features in readiness for our January issue.

Don't Buy British

Envelopes merely because they are British but buy them because they are the best; this means buy IMLAY Envelopes, which have 53 years' experience at the back of them; they give tone to correspondence and cost no more than cheap Continental stuff. *Commercial from 2/- per thousand, delivered.*

All sizes in Seed, Wages and Official Bags; also Account Forms, Memos., Writing Pads, etc. **SAMPLES FREE.**

HUGH IMLAY & Co., Ltd.,
Dept. B. Park Road Works, ABERDEEN.

ENQUIRIES FOR GOODS AND AGENCIES.

The Enquiries listed below represent actual requests received for the goods mentioned. They are genuine openings for more business to those who manufacture or market what is required. We will tell you, upon enquiry from you, exactly how to get in touch with these potential customers; how to ship; how to arrange payment and all other necessary information. If you are a subscriber the service is free, if not, the list of names and addresses costs you 2/6.

Your own offers of goods or services may be inserted on this page free of charge. Send for our Service Form.

(a) Foreign Importers or Agents seeking British Goods or Agencies.

- (394) **Sweden.**—Alf-Alfa hay meal.
- (395) **Sweden.**—Coatings, woollens
- (396) **Sweden.**—Coffee.
- (397) **Sweden.**—Dress materials (woollen)
- (398) **Sweden.**—Glacé kid.
- (399) **Sweden.**—Portland cement, white.
- (400) **Sweden.**—Spigot and socket pipes (cast iron)
- (401) **Sweden.**—Suede leather.
- (402) **Sweden.**—Tea.
- (403) **Sweden.**—Wire netting.
- (404) **Egypt.**—Seeks to import plush and velvet prayer rugs, hosiery, knitted goods, and the like
- (405) **Belgium.**—Anxious to represent manufacturers of chemical products, laboratory and pharmacy goods for Belgium and Luxembourg
- (406) **Bulgaria.**—Wishes to buy machinery for making rubber tyres, rubber shoes, etc.
- (407) **China.**—Buys from and represents manufacturers of all kinds of household goods in metal, enamel, aluminium; also cutlery, china ware, glassware, small tools and general hardware
- (408) **Costa Rica.**—Asks for catalogues and price lists for photographic cameras and all photographic supplies
- (409) **Denmark.**—Wishes to import refrigerators, on the style of "Kelvinator," "Frigidaire," or "Electrolux."
- (410) **Ecuador.**—Importing all kinds of household goods, especially china ware, porcelain, aluminium goods, earthenware, glassware. Correspondence and catalogues in Spanish.
- (411) **Estonia.**—Buy mercerised socks and stockings in various qualities, on own account
- (412) **British Guiana.**—Anxious to get in touch with first-class manufacturers of photographic articles, cameras, films, plates, photographic papers, also light motor cycles
- (413) **India.**—Imports all wireless goods, wireless sets and component parts, portable gramophones, and other musical instruments.
- (414) **India.**—Umbrella handles imported.
- (415) **India.**—Indian soap factory wishes to buy large quantities of labels and wrapping papers for wrapping soap
- (416) **Norway.**—Anxious to buy waterproof and impregnated materials for gents' and ladies' coats.
- (417) **Norway.**—Seeks agencies of manufacturers of pipes and fittings, taps, etc., for water, gas, steam, and other installations in iron, brass, and copper; also castings
- (418) **Sweden.**—Open to represent (or buying on own account) wireless goods, ear-phones, sets and component parts, crystal sets.

- (419) **Spain.**—Seeks agencies for textile machinery and accessories. Correspondence in Spanish only.
- (420) **Holland.**—Willing to represent British iron and steel construction material works
- (421) **Holland.**—Open to take over agencies of large British works of pipes, tubes, metal sheets, iron and steel tubing, welded tubing.
- (422) **Holland.**—Anxious to represent British houses for iron and steel construction material.

(b) British Firms seeking Foreign Connections.

- (423) **Welded Steel Tubing.**—Oldbury firm seeks agents in Holland.
- (424) **Motor Oils and Greases.**—London house is anxious to get in touch with buyers in Holland, Belgium, France, Germany.
- (425) **Pianos.**—Well-known British factory wishes to appoint agents in various Continental countries.
- (426) **Steel Office Furniture.**—Reputable firm is open to appoint agents in Holland, Germany, Egypt.
- (427) **Shampoo Powders.**—Famous house seeks connections in Holland, Belgium, France, Sweden, Norway, Denmark.
- (428) **Toilet Preparations.**—Agents wanted in the Netherlands.
- (429) **Fancy Goods, Leather Goods.**—London man seeks agencies.

(c) Foreign Manufacturers seeking Agents in Great Britain.

- (430) **Bacon.**—Swedish firm wishes to be represented.
- (431) **Clogs.**—Swedish house seeks connection
- (432) **Egg Fillers.**—Swedish product for British market
- (433) **Hardbread.**—Swedish firm is anxious to appoint agents.
- (434) **Parcel Pegs.**—Swedish manufacturer seeks openings in United Kingdom
- (435) **Twist Drills.**—German manufacturer wishes to be represented.
- (436) **Brushes, Painters' Brushes.**—Bavarian house seeks agents.
- (437) **Violin and other Strings.**—Viennese house seeks agents.
- (438) **Acetylene Lamps.**—Westphalian manufacturer is anxious to appoint agents in mining and industrial districts of Great Britain.
- (439) **Toys, Toy Balloons.**—German house seeks agents.
- (440) **Tools, Hardware, etc.**—German firm seeks reliable agents

THE KINGDOM OF SWEDEN.

An Exclusive "B.O.M." Market Survey.

By C. W. FRERK.

FOR THE PROMOTION OF INCREASED ANGLO-SWEDISH CONCORD.

COMPACT FACTS ABOUT SWEDEN.—**Area:** Land 410,581.36 square km., Water 37,878.23 sq. km., total area 448,459.59 sq. km. **Geographic Situation.** Between 55° 20' and 69° 4' Northern Latitude, and between 10° 58' and 24° 10' Eastern Longitude (Greenwich). **Frontiers:** In the East, Finland 536 km.; in the North, Norway 1,657 km.; sea coast line 7,624 km.; greatest length from North to South 1,574 km.; greatest breadth of Sweden 499 km. **Isles:** Gotland 2,960 sq. km.; Oland 1,345 sq. km.; Orust 336 sq. km.; Värmdö with Ingarö and Fagelbrolandet 271 sq. km.; Hisingen 195 sq. km.; Tjörn 134 sq. km.; Vaddö and Björkö 125 sq. km.; Farö 102 sq. km.; Selaö 91 sq. km.; Gräsö 88 sq. km.; Svarsjölundet 79 sq. km. **Climate:** Average temperature between — 2.7 Centigr. in the North and +7.2 Centigr. in the South. Average rainfall, 628 mm. **Population:** 6,074,368. **Density per sq. km.:** 14.8. **Urban population:** 31.07%. **Rural population:** 68.3%. **Male population:** 2,982,625%. **Female population:** 3,091,743, i.e., 1,037 women to 1,000 men. **Constitution:** Kingdom; hereditary monarchy; Parliament (Riksdag) with 2 Houses. **Important Cities:** Gothenburg, Malmö, Stockholm. **Monetary Unit:** Swedish Gold Kronor of 100 Ore. At par Kr. 18.159 = £1; October 1927, £1 = Kr. 18.07—18.10.

SWEDEN occupies the Southern and Eastern parts of the Scandinavian peninsula; the Southern half is for the most part agricultural land, although there are quite a number of industries established in the cities; the Northern section of Sweden is the seat of the important lumber and timber industries.

The mountainous parts supply, apart from timber, superior building and paving stones; coal and lignite are also to be found, especially in middle Sweden, but not in large quantities; on the other hand there are considerable deposits of lime and bituminous shales.

Middle Sweden has iron ore deposits, which are among the largest in Europe. Swedish iron ore is much sought after all over the world. The large resources in iron ore, forests and water power, form the basis of the excellent position which Sweden occupies in the industry and commerce of the world. The production of timber and timber products are invaluable national assets.

AREA AND POPULATION.

The area of Sweden, 448,459.59 square kilometres, is only slightly less than that of Germany, and almost half as large again as Great Britain and Ireland.

Yet, over this huge area there is scattered a very sparse population of but 6,074,368; the density decreases from the South to the North.

The nature and size of the country have given the Swedish people their character. They are on the whole very conservative, adhering to traditions; strong in character and physique; exceptionally good-hearted, reliable and trustworthy; extremely well educated and courteous—a fine race to do business with, provided one understands them, their ways, customs, habits, tastes and requirements.

The population is concentrated on the plains and around the ore supplies, i.e., in the southern and middle areas. The wooded districts on the

fringe of the plains, especially in the northern part of the country, are the most sparsely populated.

31.07 per cent. of the population live in towns and are engaged in industry, while 68.3 per cent. are employed in agriculture, lumber, etc.

The principal towns are Stockholm, with a population of 453,332, Gothenburg, 231,213, Malmö, 116,827. Gothenburg is the leading port of Sweden; Malmö is also an important shipping centre.

THE GENERAL ECONOMIC SITUATION.

Throughout the year 1926 there has been a continuity of the improvement which set in after the depression of the years 1921 and 1922. 1926 has been comparatively free from labour trouble; there was a good harvest and a steady increase of industrial production, a gradual fall of prices and cost of living; there was increased foreign trade, and an improvement of the trade balance, increases of exports of pulp, paper, machinery, higher shipping freight rates with more business for the shipyards, and a decrease in the number of bankruptcies. Conditions in the money market became easy.

Sweden benefits by the progress that is being made in the political and economic stabilisation of Europe. The British coal strike had very little effect on conditions in Sweden, because there were large stocks available, and then there were supplies coming from Poland and Germany. This is of significance to the British coal trade, because it tends to show that Sweden can always make herself pretty well independent. It should urge British coal exporters to keep a firm hold on that important market, and to do everything possible to ensure permanent and growing business, and not allow other suppliers of coal to step in and stay there as suppliers.

During Spring and Summer 1927 economic developments continued to proceed on very favourable lines. In most industries, with exception perhaps of the iron industry, business is good and employment conditions satisfactory.

Excess of imports in the first half year 1927 amounted to only 41.3 million Kronor, compared with about 100 million Kronor for the corresponding period of last year.

FINANCE.

The money market is comparatively easy; there is a good supply of accumulated capital; demands for home needs have been small, and a good share of capital went abroad. At the same time there has been a considerable import of capital.

The position of the banks is strong; there have been increased deposits, and declining advances. Stock Exchange movements indicate general advances in industrial conditions; production is being improved; established industries expand, especially textile and leather as well as timber industries.

The state of the National Debt at the end of July 1927 was 1,816.6 million Kronor, 80% of which are held within the country.

The net profit of the State Bank (Riksbank) for 1926 amounted to 17.25 million Kronor, as compared with 19 million Kronor in 1925.

SOME INTERESTING FIGURES.

	Million Kronor
Budget 1926/27 to balance at	746
Budget 1927/28 to balance at	709
Revenue from taxation 1927/28	538
" income tax	147
" customs	124
" tobacco and spirit monopoly	152
" State enterprises	95
" railways	38
" post and telegraphs	32
Expenditure on defence	139
" education	131
" State enterprises	67
State assets on June 30th, 1926	3,033
Bank rate for 1926	4½%
Average Sterling exchange rate 1926	18.12
Net Profit Riksbank, 1926	17.25 million Kronor
Value of crops, 1926	1,168 mill. Kr.
Sales of wood goods, 1926	900,000 stds
Exports of wood pulp, 1926	1,500,000 metric tons
" newsprint, 1926	174,000 "
" other paper and board	236,000 "
" iron ore	7,606,000 "
" pig iron	77,000 "
" malleable iron	139,000 "
Imports of pig iron	61,000 "
" malleable iron	223,000 "
Number of blast furnaces	36
" Lancashire	
" hearth furnaces	34
" Martin furnaces	34
Total area of Sweden	448,459.59 sq km
Land area of Sweden	410,581.36 "
Water area of Sweden	37,878.23 "
Average density per sq km	14.8
Density in Stockholm	3,437
Density in Malmö	106
Density in Gothenburg	91
Total number of communities	2,525
Number of rural communities	2,373
Number of burghs	39
Number of towns	113
Total population of Sweden	6,074,368
Rural population, male	2,110,788
Rural population, female	2,076,357
Total rural population	4,187,145
Urban population, male	871,837
Urban population, female	1,015,386
Total urban population	1,887,223
Total male population of Sweden	2,982,625
Total female population of Sweden	3,091,743
Number of women per 1,000 men	1,037
Percentage of urban population	31.0%

Occupations:

	Male	Female
Agriculture and cattle breeding .	715,803	247,636
Fisheries ..	15,468	2,917
Forestry ..	76,458	69
Metal and machinery industries	184,541	9,352
Mines and quarries ..	47,057	2,170
Timber industry ..	105,918	1,324
Paper and printing ..	52,473	10,561
Foodstuffs and beverages	47,270	18,194
Textile industries ..	37,474	94,354
Leather and rubber industries	44,849	9,268
Chemical industries ..	14,993	5,407
Building trades ..	116,418	953
Non-specified industries ..	4,567	1,100
Commerce ..	125,500	93,220
Traffic and Transport ..	135,713	17,858
Liberal prof. and civil service	81,131	63,638
Domestic ..	3,119	191,239
Small investors and retired p.	171,723	197,319
All occupations	1,980,473	965,579

Marriages in 1926	38,339	6.32%	of total popul.
Births in 1926	102,368	16.88%	"
Deaths in 1926	71,315	11.76%	"
Surplus births	31,053	5.12%	"
Increase of popul ..	20,806	3.43%	"

Number of passenger motor cars	70,485
Number of motor buses ..	1,569
Number of 1-ton vans ..	16,850
Number of 1-2-ton vans ..	4,230
Number of 2-3-ton vans ..	1,055
Number of vans over 3 tons ..	361
Total number of motor vans ..	22,496
Total number of motor cars ..	94,985
Total number of motor cycles with sidecars	7,985
Total number of motor cycles without sidecars ..	18,347
Total number of motor cycles ..	26,312

Deposits in Postal Savings Banks	Kr. 189,640,883
Deposits in Private Savings Banks	Kr. 2,620,000
Cost of living, 1926 (1914 = 100)	172
" July 1927	169
" " Food	148
" " Lighting, Heating	176
" " Rent	198
" " Dress, Clothing	180
" " Taxation	184
" " Other expenses	179
Number of Bankruptcies in 1926 ..	3,983

From the additional material we have on file, and from the official statistics and others which we have prepared ourselves, we can supply, upon request, full details and accurate figures (totals, percentages and comparative figures), relating to occupations, professions, wages and salaries, cost of living, household expenditure, distribution of population, distribution of industries and trades, housing, building, consumption, imports, exports, production, etc., etc., for every trade and industry, so that each of our readers can procure from us the actual essential figures and details he requires in his own individual branch of business, a fact which is very important to know, and we hope this offer will be made use of by many progressive British firms who are anxious to build up business with Sweden ON FACTS.

FOREIGN TRADE.

Year	Imports	Exports	Total	Excess of Imports	Excess of imports in per cent of foreign trade
		Millions	Kronor		
1913	847	817	1,664	30	1.80
1924	1,425	1,261	2,685	163	6.07
1925	1,440	1,360	2,806	86	3.07
1926	1,493	1,417	2,910	76	2.61

Distribution of Imports according to countries of origin:

Country	1913 Per cent.	1925. Per cent.	1926. Per cent.
Europe ...	84.90	74.96	76.99
Germany	34.24	20.11	30.85
Great Britain	24.43	20.14	14.81
Denmark	6.34	8.19	7.86
Holland	2.47	4.08	3.96
France	4.19	3.40	3.67
Norway	3.06	3.27	3.15
Belgium	1.58	1.91	1.99
Italy ...	0.67	1.04	1.35
Finland	2.51	1.49	1.29
Russia	3.46	0.23	0.76
Africa ..	0.21	0.20	0.21
Asia (Brit. Ind.)	0.88	0.43	0.32
America ..	13.52	23.59	21.90
U.S.A.	9.05	15.17	13.39
S. America	4.19	6.49	6.58
Australia ..	0.18	0.56	0.21

Imports in the first quarter of 1927 amounted to 392.0 million Kronor, Exports to 406.4 million Kronor; therefore surplus of exports + 14.4 million Kronor. Imports in July 1927: 121.4 million Kronor; Exports 151.8 million Kronor; therefore surplus exports + 30.4 million Kronor.

This shows that the Swedish trade balance is developing extremely satisfactorily and favourably.

The decline of the British share in the Swedish business is rather significant. It has been pointed out to us that although British firms are quite active in Northern Sweden (which is the least productive part from an import business point of view), they are seriously neglecting middle and Southern Sweden, where Germany is doing a considerable trade, and an increasing trade at present.

Gothenburg and Malmö are very important centres of action for foreign manufacturers to launch their products on the Swedish market, and whilst some German houses have their branch establishments in these cities, we understand that British firms are doing practically nothing there at present.

There is a growing demand for textiles, especially Manchester goods, also hosiery and knitted wear, in spite of the fact that the Swedish textile industry is expanding rapidly, good business is available in first-class leather goods, especially fitted trunks, suit cases, wardrobe and expanding trunks, week-end and attache cases; also in fancy leather goods, such as ladies' handbags, wallets, purses.

Again, we find a growing use of motor cars and motor cycles in Sweden, as the Swedish Government is doing a great deal for the improvement of roads, the expenditure being charged motor taxation. The demand for motor spare parts and accessories is for the most part supplied by Germany, which country also supplies tools and cutlery and general household utensils in large quantities, the same applies to cheap glass, enamel and china ware, as the respective Swedish industries produce chiefly better qualities in these items.

We should be very glad to tell British manufacturers who propose to market their products in Sweden their exact position with regard to imports, home production, exports, foreign and home competition; best methods of organising sales and distribution in Sweden, etc., because it is impossible to touch every industry and trade more comprehensively in a general survey of this kind, the object of which is to acquaint our manufacturers with the basic economic facts of the country as a whole.

SWEDISH EXPORTS.

There have been some revolutionary changes in certain Swedish industries, which have had a bearing on the export trade of Sweden. A comparison of the percentages of certain "Merchandise Groups" as part of the total exports of 1900 and 1925 (a span of 25 years) will demonstrate very clearly what these changes mean:

Group.	1900	1925
Live Stock	0.36%	0.34%
Animal Foodstuffs ..	13.39%	6.17%
Wooden Goods	42.25%	21.44%
Paper, Pulp, Board, etc.	10.51%	26.96%
Minerals	5.75%	11.36%
Metals	13.39%	6.17%
Machinery, Vehicles, etc	3.65%	10.62%

We see, therefore, that the position of "Live-Stock" is practically unchanged, whereas in the other groups we find marked variations. The decrease of exports of wooden goods is principally due to the advance in the wood-pulp and paper industries.

Exports of metals went down because home industries consume more for the manufacture of machinery and apparatus, which are exported in larger quantities than ever before.

From the end of 1925 to the end of 1926 exports of pulp and paper increased by nearly 45 million kronor, and a great increase of exports also occurred in the groups "Vessels, Machinery, Vehicles, etc."; exports of machinery have increased considerably over the high level of 1925, and those of electrical machinery have been further increased by about 30%.

There were increases also in "other foods and beverages," particularly butter, pigs, pork, also cereals, and in cement. Exports of iron ore and timber decreased; the decrease in timber exports in 1926 is said to be due to the curtailed requirements of the British coal mines for pit props, and to smaller sales of timber in Holland.

The chief export goods are: Wood pulp, paper, cardboard, timber, matches, iron ore. Then there is quite a considerable Swedish competition in certain types of steam and electrical engines, carriages, motors, generators, transformers, cement, electric fittings, and construction material.

The net tonnage of vessels arriving at Swedish ports during 1926 was about 13,678,000, and of departure about 13,683,000; the corresponding figures for 1925 were: arrivals 13,503,000 and departures 13,401,000 net tons. Of this tonnage about 50% is foreign.

SWEDISH IMPORTS.

Apart from a great number of raw materials most semi-manufactured and finished goods have a market in Sweden, with the exception of the products and certain by-products of the four chief Swedish industries: timber, wood pulp, paper, iron ore.

The chief import articles are: textiles, produce, foodstuffs, beverages, fertilizers, coal, salt, leather, chemicals, petrol and oils, motor vehicles, musical and surgical instruments and apparatus, optical and photographic goods, sports goods, wireless goods, tobacco and cigarettes (over monopoly), spirits (monopoly).

Imports have increased slightly during 1926; so have exports, and the excess of imports has been slightly decreased. Imports of raw materials and semi-manufactured goods seem to have increased, whereas their exports have decreased.

Great increases occurred in the import of colonial produce, in minerals, in textiles, metals, motor cars, the number of which rose from 18,520 to 19,220, and motor cycles (from 2,240 to 3,843). Total imports of coal amounted to 3,112,000 metric tons compared with 3,670,000 metric tons in 1925; imports of coal from Great Britain amounted to about 670,000 metric tons as against 2,800,000 metric tons the year before; it is evident that the coal strike has decreased the Anglo-Swedish trade figures for 1926 considerably.

HOW TO ENTER THE SWEDISH MARKET.

British manufacturers and exporters should bear in mind that the Swedish wholesale buyers and importers prefer to deal direct with the actual foreign manufacturer. They resent very much to have to deal with a so-called general agent in Sweden or even, which is still worse,

a "General Agent for Scandinavia," with offices in Copenhagen, Denmark:

There are four ways of dealing with the business in Sweden.

(1) Send your own travellers to call regularly—at least twice a year, on your clients and prospective customers. For such goods as coal, iron, machinery, all textile and fancy goods, this method of entering the Swedish market is absolutely essential.

(2) Appoint a resident representative in Stockholm. It is essential that he should be well known throughout Sweden, as personal acquaintance counts a great deal in that country.

Obtain every information possible about your prospective representative, before you make a contract with him, particularly if you are going to entrust him with consignment stocks, and collection of accounts. The Swedish Commercial Agents' Association (Svenska Handelsagenters Förening), for instance, will recommend only agents who have been successfully established for several years, and who are reliable and trustworthy. This Association, however, will not issue lists of agents' names, but will insert, upon payment of a small fee, a notice in their members' bulletin.

Also some of the Status Enquiry Offices will undertake to name reliable agents and representatives; they generally charge about 30 Kronor for their services in this respect.

(3) Sole Selling Rights are the usual form of trade in heavy goods, such as machinery, construction material, iron, instruments. There are quite a number of very reputable wholesale houses who are open to take up sole agencies.

(4) Establishment of your own Branch Office in Sweden. You may either make your agent's office your branch office or form a Swedish Limited Company. The agent may add to his name "Branch Office of . . .," but the Commercial Register will only show his name, that of the foreign house not being admitted to the Register. If the Agent is a foreigner he must apply for a "general trade permit," which costs about 50 Kronor for 3 years.

AGENTS' NAMES OBTAINABLE FROM:

Apart from the Status Enquiry Bureaux, there are the following institutions who will help to find reliable representatives:

Swedish Chamber of Commerce in London, 14, Trinity Square, E.C. 3.

Svenska Handelsagenters Förening, Vastmannagatan, Stockholm

The Svenska Export Förening, Vasagatan 12, Stockholm, will give information on Swedish manufacturers and exporters.

It should be noted that the Chambers of Commerce in Sweden do not act in the same informative capacity as our own Chambers, but are chiefly advisory bodies to the Swedish Government, where commercial and industrial legislation is concerned.

DIRECTORIES:

Sveriges Handelskalender.

Svensk Industrikalender

Svensk Industri- & Exportkalender.

STATUS ENQUIRIES AND COLLECTION OF ACCOUNTS.

Jonköpings Juridiska Bvta, Hamngatan 15, Stockholm.

Soliditet A/B, Klarabergsgatan 3, Stockholm

Soliditet A/B, Södra Hamngatan 29, Gothenburg.

BANKS:

Skandinaviska Kreditaktiebolaget, Gothenburg.

A/B Svenska Handelsbanken, Stockholm.

Stockholms Enskilda Bank, Stockholm.

A/B Göteborgs Bank, Gothenburg.

Sveriges Riksbank, Stockholm.

Sydsvenski, Banker, Malmö.

These Banks have branches in most of the Swedish cities.

TENDERS.

Government, Municipal and Industrial invitations for tenders are published in the "Tidning

THE BRITISH TRADE PROTECTION ASSOCIATION,

185, Whitehall Road, BRISTOL

are prepared to undertake, at home or abroad, the collection of bad and doubtful debts; to supply all kinds of commercial and credit information; furnish market reports; register trade marks, etc., on reasonable terms.

Firms in all parts of the country have repeatedly proved the efficiency of the services of this Association and inquiries are invited from all who are looking for a prompt and reliable service.

Special Service for
FOREIGN AND COLONIAL FIRMS.

för Leveranser till Staten," and in the "Leveranstidningen." Foreign tenders are accepted in preference to tenders from home industries only when they are at least 10—20% lower. Tenders to State Departments must be submitted by a representative domiciled in Sweden. This representative will be the responsible party.

LANGUAGES TO BE USED.

The business language is exclusively Swedish, and catalogues and all other printed matter should be in that language. In correspondence with Swedish importers and wholesale houses British manufacturers and exporters should, whenever possible, use the Swedish language, although it would be quite safe to write in English, which is understood by all educated Swedish people; in Southern Sweden German is perhaps more widely known than English.

WEIGHTS AND MEASUREMENTS.

Metric and decimal system used throughout.

PRICES AND TERMS.

Quote in Kronor, whenever possible; sterling quotations are, however, not objected to by big houses; always quote c.i.f. Swedish port; if unable to do so quote f.o.b. English port. Terms of payment in use are: 30 days with 2% discount; 90 days nett. Agricultural machinery is frequently supplied on 12 months' credit with 7% increase.

CUSTOMS.

British goods enjoy the most-favoured-nations treatment. The Swedish tariff is a comprehensive and rather complicated one; the duties are mostly specific duties, although there are some *ad valorem* rates for some classes of machinery instruments, apparatus and musical instruments.

Manufactured goods not mentioned in tariff are subject to a duty of 15% *ad valorem*; raw materials not mentioned in tariff are free. Precious metals and stones are also subject to a luxury tax, if their value exceeds 300 Kronor per unit.

In connection with the tariff an official classification of goods has been published under the title of "Varnforteckning til Tulltaxa för inkommande varer."

Information on customs regulations and duties will be supplied by the Customs Authority: Tullbehandlingsbyrå, Skeppsbron 36, Stockholm. Two International Reply Coupons should be sent with each enquiry. Exact description of goods should be given when asking for information; samples should be sent where possible.

Duty paid will be refunded when re-exported: travellers' samples, goods sent on approval, exhibition goods. The intention of re-exporting goods must be clearly stated when goods first enter Sweden, as otherwise the duty levied will not be refunded.

Certificates of origin are not required, nor are consular invoices.

Goods with Swedish inscriptions must bear the imprint "Import."

Goods sent in transit are exempt from duty.

The import of certain sanitary and other goods is subject to the approval of such goods. Electro-technical installation fittings, for instance, must first be tested by the official testing bureaux, before import is permitted.

FORWARDING, STORAGE AND CUSTOMS AGENTS.

O. M. Hallböck & Söner, Stockholm.
Freys Express-Aktiebolaget, Stockholm.
A/B Herman Holmberg, Gothenburg.
A/B August Leffler & Son, Gothenburg.

COMMERCIAL TRAVELLERS.

Foreign travellers who travel in Sweden with the object of securing orders must pay a tax of 100 Kronors per month. At the police station of the first town they visit they will have to obtain a special "Commercial Traveller's Permit" on payment of 100 Kronor; this permit must be submitted to the police of every town in which business is solicited. The permit can be extended by 14 days, and 50 Kronor must be paid for every extension of one fortnight.

Also principals who solicit orders are considered to be commercial travellers, and are, therefore, subject to the same regulations.

Expenses are comparatively high, and 50—75 Kronor a day is not exaggerated. It must be born in mind that Sweden is a very big country, the small population being scattered in small towns throughout the vast country.

COMMERCIAL SAMPLES.

Samples of no commercial value are exempt from duty; travellers' sample collections are also duty free; the duty has, however, to be paid, but will be refunded when samples leave the country again.

LEGAL ASPECTS.

In Sweden judgments pronounced by Foreign Courts cannot be enforced by action of the Foreign Judgment at all, not even against subjects of respective countries.

The action must be recommenced before a competent Swedish Court, and although some

weight is attached to a Foreign Judgment, if the subject matter is contested, it will be necessary to prove fully the case before the Swedish Courts.

The only exception in Scandinavia is in the case of Denmark, where, since the Convention of 1861, Danish Judgments are enforced in Sweden without any action, the legality of such judgments being first certified by a competent Danish Court.

The competent courts are :

- (1) In the towns the Town Hall Courts
(*radhusrätten*).
- (2) In the country the County Courts
(*häradsrätten*).

The legal rate of interest on disputed commercial claims is 6% per annum, counted from date when account was due.

Judgment on protested bills can be obtained in the towns within 8 days.

In case of bankruptcies or liquidations all foreign creditors as far as they are traced in the books, are advised and requested to send in their detailed claims in duplicate.

Liquidations, bankruptcies and protested bills are published regularly in "*Justitia*," which is a legal supplement to the "*Svensk Handelstidning*," Stockholm.

LEGAL PRACTITIONERS WHO CORRESPOND IN ENGLISH.

According to Kime's International Law Directory, the Legal Practitioners are termed "*vice Häradshöfding*" or "*Advokat*," and the following are recommended as being able to correspond in English :

Boras: Fagerstrom & Spens, Advokats.

Falun: L. B. Gezelius, v. Häradshöfding.

Gefle: G. A. Rydin, Advokat

Gothenburg: T. Hasselrot, Legal Adviser to the Swedish State Bank at Gothenburg.

Halmstad: V. Granqvist, Advokat.

Helsingborg: C. Wester, vice Häradshöfding.

Jönköping: A. M. Fahlström, vice Häradshöfding.

Karlstad: A. M. Blomberg, Advokat.

Kristianstad: J. Listander, Advokat.

Landskrona: G. Wihlborg, Advokat

Lund: Otto Bengtsson, Advokat.

Malmö: G. Strandberg, Hofrättsnotarie & Advokat

Norrköping: G. Hökerberg, 6, Hospitalsgatan, Advokat.

Orebro: Erik Dahlberg, Advokat.

Stockholm: John Loden, vice Häradshöfding, 28, Drottninggatan.

Setterwall, Schonmeyr & Atmer, Legal Advisers to the British Legation and Consulate, Wahrendorffsgatan 1.

Sundsvall: Arndt Berggren, vice Häradshöfding.

Upsala: John Aström, Auditor.

Vasterås: K. J. Astrom, Advokat.

Venersborg: H. V. Rundberg, Advokat.

PATENT LAWS.

By the Act of 1884, and subsequent amending Acts, only inventors themselves or their legal representatives are entitled to obtain Patents. Except in cases falling within the International Convention the invention is not considered "new" if it has been published prior to the application. There is an examination as to novelty.

Applications are open for inspection and opposition for a period of two months.

Patents are granted for fifteen years, and are subject to annual payments, increasing at intervals. Patents of Improvement may be obtained. If the invention be not worked within three years a compulsory license may be ordered to be granted under certain conditions.

Applications must be made to the Patent Office: Kungl. Patent- og Registreringsverket, Stockholm, through a representative or patent agent domiciled in Sweden.

The cost of application is 50 Kronor, Patent specification and stamp dues 60 Kronor. The annual payments for patents applied for since July 1st, 1920, are: second and third year 40 Kronor each year, fourth and fifth year 60 Kronor each year, sixth and seventh year 100 Kronor each year, eighth and ninth year 150 Kronor each year, tenth and eleventh year 200 Kronor each year, twelfth and thirteenth year 250 Kronor each year, fourteenth and fifteenth year 300 Kronor each year.

Upon request we can supply full details of the documents, etc., which must be handed in with each patent application.

TRADE MARKS.

Trade Marks are granted and registered for 10 years; the registration fee is 105 Kronor; when grant is refused 50 Kronor will be refunded. Fee for extension is 60 Kronor. The documents necessary for registration of trade marks in Sweden are: (1) two stereotypes, (2) 5 prints in black and white or colour, (3) extract from the trade mark register in the home country, showing that trade mark has been registered at home, this extract must be legalised by the competent Swedish Consul, (4) authority for registration issued to the Swedish representative or patent agent, who will make application to Trade Mark Registration Office in Stockholm.

PATENT AND TRADE MARK AGENTS.

Upon request the Patent Office at Stockholm will communicate the names and addresses of competent and reliable Patent Agents.

One firm of Patent Agents is: A. B. Delmar & Co., Stockholm, Biblioteksgatan 7.

FAIRS AND EXHIBITIONS IN SWEDEN.

Participation in Swedish Fairs and Exhibitions will help greatly to introduce British goods on the Swedish market. Fairs and Exhibitions occupy an important position in Swedish industrial and commercial life. The first Swedish Fair was held at Gothenburg in 1918, since then a number of other Fairs have been held in various cities. Efforts have been made to centralise these fairs, so that to-day Gothenburg is recognised as the seat of Sweden's National Industries Fair, which is held annually, and enjoys Government support.

Trade Exhibitions are held periodically at Gothenburg, Malmö and Stockholm. The following Fairs have been announced for 1928:

- Spring, 1928—Stockholm.
10th Building Trades and Housing Exhibition (annual). Approximate number of exhibitors 200; visitors 47,000; cost of space 40 Kr per sq m.
- May, 1928—Gothenburg.
11th Industries Fair (annual).

The Swedish business men are keen followers and observers of most national and international Fairs and Exhibitions; they visit most of the Fairs held in Europe regularly every year, for the express purpose of studying where they can buy the best goods at the right price. British manufacturers should not fail to exhibit at the Swedish Fairs and Exhibitions, as the results to be obtained would undoubtedly warrant the cost.

Full particulars of the Swedish Fairs and Exhibitions can be supplied upon request.

THE SWEDISH PRESS AND SWEDISH ADVERTISING.

The development of the Swedish press has taken a very natural course, it enjoyed and enjoys a most favourable situation, because the raw material used in the production of a newspaper, especially the paper, is produced in Sweden in large quantities.

The Swedish Press stands on a very high level and has gained in importance with the change of Sweden from an agricultural to an industrial state. This change is giving the Swedish Press greater powers and influence. It is essential to study the country and its population in order to understand the position of the newspapers and periodicals in Sweden, and the character of Swedish advertising.

We have seen in the first part of this survey that Sweden is almost as big as Germany; yet there are but 6½ million inhabitants, only 14 per square kilometre. Thus scattered over a vast area, with considerable distances between towns and villages and hamlets, the Swede is an enthusiastic reader. The average Swede is well educated; his mode of living is on a high level; whether civil servant, business man or workman.

He allows himself more luxury and pays more attention to literature, theatre, music.

The sale of newspapers, magazines and periodicals per capita in Sweden is higher than in most other countries, both as regards editorial and advertising interests.

From a production point Swedish newspapers are on the whole excellent, much better than most other Continental newspapers; in the news part we find a strong link between newspaper and reader. This is a very important point when we consider the value of advertising in these papers.

Sweden's advertising and newspaper activities are almost exclusively centred in Stockholm. There are about 300 newspapers in all in Sweden, of which 100 are daily papers. Sales by regular subscriptions exceed those in the street and on stations very considerably.

The newspapers are the chief advertising media, especially in the provinces, where we find few or no other advertising means. The big Stockholm papers have in most cases a national edition besides their city edition. With few exceptions the Swedish newspapers are political organs. About 50% of them are conservative and agrarian, one-third are liberal and about one-sixth social-democratic.

The most important newspapers are:

Stockholm.

- "Aftonbladet," the oldest evening paper in Sweden, with several supplements appeals essentially to the business and well-to-do class. Circulation, approx. 130,000.
- "Dagens Nyheter," morning paper, with Sunday photogravure supplement, largely used by local and national advertisers to appeal to middle class. Circulation, approx. 120,000.
- "Svenska Dagbladet," morning paper, very informative, little political. Circulation, approx. 85,000.
- "Stockholms Dagblad," morning paper, particularly useful for campaigns in Stockholm, for national products.
- "Nya Dagligt Allehanda," circulation, approx. 30,000.

With exception of "Dagens Nyheter" (liberal), these are all conservative papers, very widely read and excellently produced, with fine mid-week and week-end supplements, pictorial and literature pages, etc. The conservative class of the Swedish population is undoubtedly the class with the highest purchasing power.

The agricultural class has, in addition, its own organ, "Svenska Landsbygden," which is published twice weekly.

The middle-class reads almost exclusively "Dagens Nyheter," which is extremely widely read, and also sold extensively in the street and throughout Sweden; next to the "Svenska Dagbladet" and the "Göteborgs Handels- och Sjöfartstidning" it is the paper which one meets most frequently abroad.

"Stockholms Tidningen" (150,000) and "Svenska Morgonbladet" (45,000) are read by the large masses of the population, especially in Stockholm. The "Svenska Morgonbladet" is the leading anti-alcohol paper.

Of the social-democratic papers "Socialdemokraten," Stockholm, is undoubtedly the most influential; it is said to have the biggest national circulation of all Swedish newspapers.

Papers with local and national circulation outside Stockholm are:

Gothenburg:

"Goteborgs Handels och Sjöfartstidning," an evening paper circulating throughout South-Central and South-West Sweden, and abroad, dealing essentially with commercial and shipping news. Circulation, approx. 50,000.

"Göteborgs Dagblad," morning paper appealing to the well-to-do and higher middle-class.

"Goteborgs Morgonpost," Sweden's largest and most important morning paper, read by all merchants and shippers. Circulation approx. 25,000.

Malmö:

"Sydsvenska Dagbladet Snällposten," daily, most important paper in Southern Sweden. Circulation, approx. 30,000.

"Skånes Folkbladet," important local morning paper.

"Skånska Aftonbladet," an evening paper reaching the wealthier classes. Circulation, approx. 20,000.

"Skånska Dagbladet," a daily paper circulating in the principal agricultural districts in Sweden. Circulation, approx. 55,000.

The "Sydsvenska Dagbladet Snällposten" is also read in Denmark.

The best known political weekly or monthly journals are:

"Svensk Tidskrift," "Det Nya Sverige," "Tiden."

Financial publications are:

"Svensk Finanstidning," "Svensk Handelstidning," "Affärsvelden."

Besides the newspapers and journals there are over 800 trade journals, scientific and professional publications, religious, humorous, etc., most of which are published weekly or monthly. Certain of the trade papers publish special market reports in English.

Since the war—as in most other Continental countries—there have come into existence a number of excellent illustrated papers, whose success has even forced the dailies to bring illustrated supplements. The leading illustrated and home and family papers in Sweden are:

"Allers Familie Journal," published at Helsingborg (also in Danish for Denmark, and in Norwegian for Norway); this is an old-established family paper, read throughout the country, and particularly in all middle-class homes.

"Hemmets Journal," Stockholm, a home paper appealing essentially to the family woman.

"Allt för Alla," Stockholm, similar to "Tit-Bits."

"Bonniers Veckotidning" (38,000).

"Veckojournalen" (illustrated magazine).

"Vart Hem" (160,000).

"Hvar 8 Dag," Gothenburg, a well-produced illustrated weekly, read in many well-to-do and middle-class homes throughout Sweden. Circulation, approx. 55,000.

"Idun" and "Husmodern" are essentially women's papers with large circulations.

In a socially and economically well-developed and progressive country as Sweden, the trade and technical press is naturally very representative. These papers are published weekly, fortnightly and monthly; a number of them can claim very high circulation figures.

Especially the timber, paper and iron industries have some very influential organs, such as:

"Svensk Papperstidning," "Pappershandlaren," "Teknisk Tidskrift," "Verkstäderna," "Industritidningen Norden," "Järnhandlaren."

There are others concerned with industry, trade, finance, shipping, and many weeklies and monthlies dealing with sports, hobbies, film, wireless and many other interests to which Swedish people are largely devoted—much more so than the population of other countries.

Advertising in the press is the leading advertising force in Sweden, and what advertising there is is on the whole very good, both as regards copy and illustration and typography. Where systematic planning of sales and advertising campaigns are concerned a great deal of pioneer work has yet to be done. Already there are several well-organised and equipped advertising agencies who have contributed a great deal to the present-day presentation of Swedish advertising.

We consider it essential that British firms should do more advertising in Sweden, and if they do that they should avail themselves of the services of Swedish advertising agents, as public conceptions and tastes differ in many respects from those in England. The supply of and demand for comforts and improvements is continually increasing with the Swedish people, and advertising will get the right goods into the channels of consumption.

Illustrations—good illustrations—play a very important part in Swedish advertising; text matter must be convincing, as the very conservative Swedish mind is not receptive of meaningless "pretty pretty" phrases. Swedish advertising illustrations and copy have their own individual character, and no matter how good a British manufacturer's designs and lay-outs may be, thorough re-drafting will be essential if the advertisement is to achieve its mission. To get at the heart of the Swedish public appeal to them in a form they are accustomed to.

Posters and signs are coming more into prominence now than they used to be. There are thousands of people living just outside the four big towns, but they work in the towns, and it

is this public that is reached very effectively by posters and hoardings and signs. There are some 25 advertising columns (pillars) and some 15 hoardings in Stockholm. So far poster advertising (with exception of those posters for foreign motor cars, soaps, chocolates, etc.) is almost exclusively devoted to amusements, theatre announcements, exhibitions, holiday resort advertising, etc., etc. The use of film publicity and illuminated advertising signs is also on the increase. But these publicity forms are merely auxiliaries to the all-important press advertising.

Dealer-helps for window displays and shop advertising are greatly in favour with Swedish retailers, and progressive British manufacturers would secure excellent business by assisting their retailers in this direction. Some of the Swedish department stores produce really wonderful display schemes which attract large masses of consumers to the stores.

Printing is generally of a high standard in Sweden, and foreign manufacturers are well advised to supply only the best printed matter available.

In conclusion of this short discussion of Swedish advertising we must point out that our section on "How to Advertise and Sell in . . .," as part of our Market Surveys, should really occupy as many pages as the complete Survey. Lack of space prevents this, but it does not prevent us from giving fuller details and more comprehensive information on advertising media and advertising methods of foreign countries to all those who put their problems before us. The material and data we have on file enable us to solve any selling or advertising problems, and to submit complete schemes to our readers, plans and suggestions which we will adjust to their individual requirements.

Then there are of course the various Swedish advertising agencies who will be glad to furnish

information and submit suggestions for complete advertising and sales campaigns; we may mention a few of them here.

Press Advertising:

A. B. S. Gumaelius' Annonsbyrå, Stockholm
Svenska Telegrambyrå, Stockholm
Internationella Annonsbyrå, Stockholm, and others.

Poster Advertising, Railway and Omnibus Advertising:

Fotografiska A. B., Stockholm.

Tramway Advertising:

Skandinaviska Reklameaktiebolaget, Stockholm.

Film Publicity and Theatre Advertising:

A. B. Svensk Filmindustri, Stockholm.
A. B. Fotografiska, Stockholm.

Illuminated and Moving Signs:

Motograph Co., Stockholm.

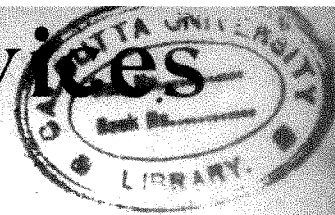
APPRECIATION.

This Market Survey of Sweden has been prepared under an exceptionally great pressure of work, the writer having returned only recently from a trip to the Continent. That it has been possible to produce this section in time is due to a very large extent to the extremely generous and courteous assistance on the part of Mr. Westrup, Vice-Consul of Sweden, Dr. E. Claessen, General Secretary of the Swedish Chamber of Commerce in London, and Mr. C. W. Cedervall, Secretary to the Chamber of Commerce, to whom we wish to express our sincere thanks and appreciation.

We hope that this Survey will induce many of our exporting readers to occupy their minds more seriously with Sweden, both as a market for British goods, and as an important and reliable source of supply, and when we receive enquiries for further information and amplifications of the one or the other point of our Survey we shall be very glad to render service, because such enquiries will give us the satisfaction of knowing that our Survey has accomplished the object it is meant to accomplish.



Would these devices Profit you ?



A TRAP for YOUR THOUGHTS.

Would it not help you to have all your constructive thought instantly caught and fixed in permanent form ?

A SAVER OF YOUR TIME.

How much would it be worth to you to save all the time you waste, quite unavoidably, at present ?

A TELEPHONE RECORDER.

Would you not be enormously helped many times a day by something that would make an instant written record of both ends of a telephone talk ?

AN INFALLIBLE MEMORY.

Would you not give a lot for something that would never allow you to forget and never allow anyone else to forget ?

A BANK FOR YOUR IDEAS.

Would it not pay you well to have a "bank" in which you could deposit your stray business ideas with the comfortable assurance that they would never be lost or forgotten ?

AN AUTOMATIC REMINDER.

Can you imagine anything more valuable than a device that would never fail to give you a timely reminder, always just at the right moment, of everything you may have to do—perhaps something you had arranged weeks or months before and had totally forgotten in the meantime ?

A PERFECT STAFF CONTROLLER.

Would not your business machine work more smoothly if you were able to keep in constant touch with every department without the need of constant conferences—something that would make your "management thought" promptly effective all through your organisation ?



Mr. C. K. Woodbridge,
President of the
Electric Refrigerat-
ing Company, and
President of the Ad-
vertising Clubs of the
World.

"INDISPENSABLE."

"Take away my Dictaphones and you would rob us of indispensable devices for aiding me in my work."

"It is hardly too much to say that our business is run via the Dictaphone. I use it for everything I want reduced to written form. Often I dictate every available minute for hours at a time—at a pace that would tax the physical endurance of a trio of shorthand writers."

"I use the Dictaphone in each of my offices and at home, to record ideas which I want turned up for later reference, instructions to various departmental heads, the substance of important conferences, telephone conversations, agreements and numerous other items."

"ANY EXECUTIVE WHO FAILS TO AVAIL HIMSELF OF THE DICTAPHONE'S ASSISTANCE HANDICAPS HIMSELF FAR MORE THAN HE MAY SUPPOSE."

C. K. Woodbridge (President),
Kelvinator, Ltd.,
Automatic Electric Refrigeration,
29, Kingsway, W.C. 2.

ANY ONE OF THESE DEVICES

would be more than worth your while.

THE DICTAPHONE

IS ALL OF THEM IN ONE.

Read what C. K. WOODBRIDGE says of The Dictaphone. Then use the coupon and try The Dictaphone yourself.

COUPON.—Please send me a copy of your free booklet,
"The ABC of the Dictaphone."

*Many business men have informed us that the ideas
contained in this book have proved invaluable to them.*

THE DICTAPHONE COMPANY LIMITED,
(Thomas Dixon, Managing Director)

Kingsway House, Kingsway, London, W.C. 2.

also at Manchester, Liverpool, Glasgow, Newcastle-on-Tyne,
Birmingham, Leeds, Cardiff, Portsmouth.

Name.....

Address.....

Business Organisation Magazine

*A Monthly Magazine devoted to the Organisation,
Management and Administration of Industry and Commerce.*

Edited by FRANK TOZELAND.

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DECEMBER, 1927.

No. 3.

Notices.

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12/- per annum post free. Single copies 1/2d. post free.

All rights of translation and reproduction strictly reserved.

INTERNATIONAL SERVICE.

This is free to subscribers. Non-subscribers are charged 2/6d. for the Key. Stamped addressed envelopes should be sent in all cases.

CONTRIBUTIONS.

which are invited, must be fully educational and embody "Convertible Ideas." Only first-class matter accepted. Typescript essential, accompanied by stamped addressed envelope.

ADVERTISEMENTS.

Rates upon request.

Copy received later than the 20th of the month cannot be guaranteed proofs.

The submission of copy early in the month is strongly urged, to enable the Editor to give full effect to the policy of the particular service characteristic of the magazine.

CORRESPONDENCE.

Readers are invited to communicate with the Editor in connection with any article appearing in the magazine, and upon which they desire further information.

The Editor is willing at all times to assist subscribers in every way possible.

PROPRIETORS.

Business Organisation, Limited, Granville Chambers, Bury Street, W.C. 1, to whom all communications must be addressed—Editorial—Advertising—Subscriptions Phone: Museum 1083.

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Editorial Notes.

Loopholes Not Forgotten.

TALK of Safeguarding and Imperial Preference, build up the walls of tariff protection as high as you can, but do not forget the loopholes, Gentlemen of Trade and Industry.

There is subtle irony in the campaign which is just being launched by the Tyneside Industrial Development Conference, with a series of interesting folders, describing in lucid language the immense advantages that may be derived from the settlement of industries on Tyneside.

The offer is not limited to British industries only, but the folders are being translated into German and French, inviting manufacturers of these countries to take advantage of this wonderful loophole left open in the wall of Safeguarding.

It is a bold move of the Tynesiders, as it is a definite step to ensure free competition. Foreign industries will welcome this opportunity; they will follow in the footsteps of Ford and Citroen, and establish their factories and assembling works in this country. The Safeguarding, Merchandise Marks Act and the British Patent Law will further the scheme indirectly.

And talk of Russia—the Tynesiders have a definite commercial view of the Russian aspect. They have no doubt but that Russia and Siberia, with their vast populations, are the largest speculative element in the world to-day. The Tyneside is most advantageously situated with reference to the Baltic and Russia; and the certainty of the Russian trade Renaissance gives a piquant possibility of “striking it rich” to a normal business undertaking.

There is much more behind this scheme than may at first be assumed or can be indicated in limits of our space. Already it is said that other industrial areas in other parts of the Empire are envying the Tyneside scheme which will before long find many imitators.

The propaganda folders of the Tyneside Industrial Development Conference are the best in layout, illustration and printing we have ever seen of any industrial development body; they are evidence of the Tynesiders' appreciation of the value of good salesmanship.

A Hundred Years of Printing.

PRINTING is one of the true basic industries of the country, the handmaid and indispensable accessory of every other. It may not rank with the largest in regard to the number of its employees or the amount of capital invested in it, but no other industry reflects so closely the social progress and development of the nation as a whole. Therefore, the figures summarising the striking development of the printing industry during the past hundred years, which were given by Prince Henry last month at the centenary dinner of the Printers' Pension Corporation, are of special interest to business. Whereas in 1827 there were 190 printing establishments throughout the country, there are to-day 4,000; some 170 newspapers and 1,770 books were then published, as against 2,160 newspapers and 13,000 books now published.

* * *

An Interesting Announcement.

COMPARATIVELY few people outside the industry realise the wonderful technical advances which have been made in printing within comparatively recent times. One has only to compare the typical newspaper to-day with the stodgy, forbidding productions familiar to us in our youth to be immediately aware of the extent of the change. In commercial printing progress has been equally remarkable. Magnificent examples of the printers' art applied to advertising purposes are current, but it is doubtful whether the advance has been so uniform as in newspaper production. Certainly the average business man does not take as great advantage of his printer's skill as he might. Almost every type of business printing offers opportunities of originality and improvement in design and execution which would enormously increase its effectiveness. It is our intention to commence shortly a striking new series of articles to be contributed by a printing expert of long experience and high attainment, which will call attention to the many directions in which business men can improve their printed announcements, at no extra cost—in some cases, indeed, with greater economy, and invariably with more satisfactory results.

The Brains of the Staff.

EARLY this year Sir Josiah Stamp invited members of the staff of the L.M. & S. to send in any suggestions they might desire to make to promote the more economical and efficient working of the company's business. The invitation met with a ready response, and we understand that up to the present some 3,000 ideas have been received, many of which have proved valuable and have been adopted. Accepted suggestions are in every case recognised by rewards commensurate with their value. This is a form of staff co-operation already practised by a limited number of commercial firms in this country, but which might well be more widely adopted. It offers one of the best ways by which to pick out the more intelligent workers in a business, and thus to establish a talent reserve. The promotion problem solves itself when the staff is convinced that merit will be fairly recognised and not exploited, that practicable new ideas are really welcomed, and not regarded necessarily as criticisms and as mere disturbers of the peace. Rigid departmentalism is the curse of the big business, and under modern conditions it does not tend to diminish. It is always a paralysing foe to initiative, and the principle of the suggestion box, rightly handled, offers a useful method of combating it. After all, a steady flow of constructive ideas is as necessary in the Board Room as a steady flow of work in the factory.

* * *

Centralised Income Tax Collection.

A COMMENCEMENT was made at Southampton last month with a new centralised plan for the collection of Income Tax, which is to apply to all those districts outside Greater London in which the majority of the collectors are appointed by the Board of Inland Revenue instead of the District Commissioners. The new scheme affects roughly about one-fifth of the country. In these districts the collection is to be made from one central office, instead of a number of scattered offices, and the demand notes will be sent out at approximately the same date instead of at varying times.

The plan has been adopted on the recommendation of the Public Accounts Committee. The procedure and method of collection have been devised by the Accountant-General's department, and it is considered that fraud will be made more difficult, if not prevented altogether. The plan will eventually apply to 24 large towns in which collectors appointed by headquarters predominate.

Trade Union Decline.

HOW far the decline in trade union membership, due to the misguided political policy pursued by the leaders, has proceeded is not generally realised. Figures recently quoted by Mr. Gilbert C. Vyle, President of the Association of British Chambers of Commerce, show how seriously the unions have suffered during the past few years. Mr. Vyle says that in 1921, when the last Census was taken, 30 per cent. of the 19 millions "gainfully" employed, were organised in trade unions, equal to 13.3 per cent. of the total population. To-day the number so organised is only 20 per cent., or only 8.3 per cent. of the population. This is the sorry outcome of the abortive General Strike, followed by the disastrous coal dispute, and it is not surprising that the rank and file of organised labour, together with the less extremist among the leaders, are seeking by a more conciliatory policy, and in a somewhat chastened frame of mind, to resuscitate their movement from the paralysis which has overcome it. It would be wrong to pretend that the present position of the coal industry is entirely due to last year's dispute, otherwise the Belgian and German coal industries, which are also seriously depressed, would be unaffected. There can be no question, however, that the dispute has had the effect of intensifying the present distress in the Welsh and Durham coalfields. It dealt the industry an almost mortal blow at the very time when all its resources should have been husbanded to meet the crisis that was coming. Trade prosperity is as vital to the development of trade unionism as to the progress of social reform generally, and it is pathetic to think of the resources of the great trade unions, so painfully accumulated, being frittered away in industrial strife, when they might have been available to alleviate and mitigate the present sufferings of the unfortunate miners and their families.

* * *

Holborn's Automatic Telephone Exchange.

THOUGH the first automatic telephone exchange in London was brought into operation last month smartly enough, it can hardly be said to have made an auspicious start. The Holborn Exchange has 6,000 subscribers, and every one seems to have a grievance. The service is alleged to be much slower than that provided by the old manual exchange, and subscribers are asking why the Post Office should go to the enormous expense and trouble of installing an automatic telephone system to achieve such poor results.

Allowance must, of course, be made for the subscribers' inevitable mistakes in getting hold of the " dialling " principle, and probably most of the technical trouble is due to the difficulty of working a dual system. But obviously this latter factor will persist until the whole of London's 80 or so exchanges are made automatic, and this, it is considered, will take anything from ten to twenty years. Meanwhile, Holborn subscribers find it hard to agree with the Post Office professional opinion that the automatic system represents a wonderful advance over the old manual exchange, which, despite its alleged limitations, did achieve connection in very much quicker time.

* * *

Liberty under Labour.

DIFFICULTY with their employees is bringing the Co-operative Wholesale Society into unenviable notoriety, and the latest example arises from a policy dictated by the General Council of the Trades Union Congress which is not far removed from sheer tyranny. It sheds a rather ugly light on what the members of this Grand Council of organised labour understand by liberty. It appears that following the General Strike a purely industrial union known as the Co-operative Employees Union was formed by those co-operative members of the Distributive Workers' Union and the Shop Assistants' Union who disagreed with the political activities and policies pursued by the leaders of these bodies. Its purpose was entirely non-political, therefore affiliation with the Trade Union Congress was neither sought nor desired. Moreover, " breakaway " unions are banned by the T.U.C., the members being treated as non-unionists.

Cracking the Whip.

MATTERS came to a head the other day when the directors of the C.W.S. were called upon to enforce an undertaking which they gave to the General Council of the T.U.C. three years ago to employ none but members of unions eligible for affiliation with the Trade Union Congress. Some sixty employees of the C.W.S. in the Newcastle district—members of the Co-operative Employees' Union—were accordingly given notice of dismissal on the ground of being non-unionists. It was intimated that the notices would not take effect if evidence was produced that the men had joined a trade union approved by the T.U.C. The men concerned have done this, in order to avoid losing their jobs, though they have not withdrawn from their existing union. It comes to

this, therefore, that employees of the C.W.S. are apparently not to be allowed to join any trade union, but must associate themselves under duress with one approved by the General Council of the T.U.C., however strongly opposed they may be to its policy and aims. Action of this kind is bound to be followed by protest and recrimination throughout the movement, and will inevitably do it considerable harm. The principles of co-operation have nothing in common with Socialism, and the C.W.S. will find out that thousands of ardent co-operators will rather withdraw from the movement than allow their membership to be interpreted as a sign of their approval of socialistic principles. It is safe to say that there will be very heated discussions at the general meetings of co-operative societies up and down the country this winter on the question whether any portion of the funds of these societies shall be subscribed to the funds of a political party. No other question has so sharply divided the whole co-operative movement in recent years.

* * *

Electricity Supply: Effect on Prices.

RECENT speeches by Mr. Archibald Page, the Engineer-in-Chief of the new Central Electricity Board, have done much to modify the optimistic anticipations formed by some people as to the outcome of the big developments in electricity supply now being carried out. Mr. Page has bluntly declared that the " grid," which will take eight years to complete, will not reduce the price of electricity for lighting in our big cities. It will not create a new electrical heaven, nor give " ninepence for fourpence." It will not even appreciably improve the efficiency of generation in certain areas of the electrical power companies and larger municipalities. On the other hand, what it will do, says Mr. Page, is to constitute a complete system for the production and transmission of electricity on a wholesale scale, enable full advantage to be obtained from the diversity of loads, from the correct apportionment of the total load between stations of varying efficiency, and from the elimination of obsolete and unsuitable plant. Important economies will be effected, but they can only bear indirectly on the cost of electricity to the household, which is governed by other factors to a far greater extent. Evidently the gas industry, which has been metaphorically girding its loins to meet intensified competition, has little to fear for the time being. There are those who already speak of it as a declining industry, but they would seem more than a little previous.

Wage Co-ordination.

POLITICIANS and business men alike are now generally agreed that it was a grave mistake that the old National Industrial Council, in which the representatives of trade unions and employers' organisations were jointly associated under an impartial chairman, should have been allowed to peter out. It might have served a valuable purpose in co-ordinating wages as between various industries and thus avoided, or at least minimised, some of the extraordinary anomalies which have existed for so long in the wages paid by the sheltered and unsheltered industries. The need for such a co-ordinating authority was emphasised by Professor Henry Clay, of Manchester University, in a recent lecture dealing with the Post-War Wages Problem, and the country may yet be driven to adopt the expedient. Professor Clay called attention to the new temper in the advancing of wage claims; the temper that refused to accept evidence that the industry was not in a position to pay higher wages, and maintained that the wages could be paid if the industry were reorganised. There could be no restoration of relative stability unless a basis satisfactory to employers and employed could be found. Unfortunately, in the Professor's opinion, industry even now has not arrived at a set of rates in stable relation to one another. He declared that either the country must carry through a redistribution of its labour force, promoting emigration and financing re-training, or it must wait for the slow and painful redistribution which was being effected by the curtailment of recruiting the low-paid and under-employed industries coupled with the inducement to enter other industries offered by higher wages and better employment.

* * *

An American Business Leader.

ONE of the leading personalities in American industry to-day is Mr. James H. Rand, Jun., the President of the Remington Rand Company of New York. Though still on the sunny side of 40, Mr. Rand is the executive head of the Rand Kardex Bureau, a world-wide organisation engaged in the sale of business management equipment, with a turnover of 40,000,000 dollars a year. He is a commercial genius, who has achieved his present dominating position in little more than ten years, for it was only in 1916 that he started on his own and founded the American Kardex Company with 10,000

dollars of borrowed capital. To-day the enterprise is a 10,000,000 dollar corporation, an amalgamation of several big businesses, including two so well-known on this side as the Remington Typewriter Co. and the Library Bureau.

* * *

Get Down the Cost of Selling.

MR. RAND is a man with a message, and we have set down the outstanding facts of his career to show that he speaks with authority, and because we believe his message is as important to British business as to American—perhaps more so. Among other things he is a practical cost accountant, and a recent *Bulletin* of the American National Association of Cost Accountants contained the report of an address given by him to the Buffalo Branch, of which he is a member. Mr. Rand believes that the greatest evil in present-day industry is "the high cost, the extravagant, outrageous cost, of distribution," and there undoubtedly he touches a vital weakness in present-day business organisation. The cost of selling has got out of hand, and by some means or other it will have to be brought down. When Mr. Selfridge admitted some time ago that nowadays it often costs more to sell an article than to manufacture it, he drew attention to a position which is artificially created and economically unsound. It is an anomaly that cannot endure. Mr. Rand believes that the cost accountant has a great part to play in remedying this evil. Cost analysis has justified itself in production, and should be extended to distribution, he says. In fact, he went on, the major portion of the work of the cost department of the future will be in applying recognised principles of cost analysis to sales expense. Unless this can be done, Mr. Rand declares, we are facing a radical change in business, a new era in distribution, and he told his hearers that they were likely to wake up some morning to find that the world had changed in that its major products were being sold by their competitors direct from the factory to the consumer, instead of through the usual jobber, the middleman, dealers, and the leeches on the profits all the way down to the ultimate consumer.

This question of the exorbitant cost of selling under modern conditions, is of the very first importance. We recommend it to the special attention of professional cost accountants on this side. It offers them not only a very fruitful field for investigation, but possibly the opportunity of performing a service which will go far towards restoring British industry to an unassailable competitive basis.

Benefits of Railway Amalgamation.

HOW has the public benefited from railway amalgamation? This is a question which is often asked by the business man, with more than a suggestion that the alleged benefits are singularly hard to find. In a newspaper interview last month, Sir Josiah Stamp, the Chairman of the L.M.S., endeavoured to furnish the answer. He pointed out that numerous improvements had been introduced for the convenience and comfort of the public. Some of them were not spectacular, but they had cost a great deal of money. Many more trains were now steam-heated; much money had been spent on improved rolling-stock, and on new and better locomotives drawing longer trains and so avoiding congestion. More excursions were now run at lower fares. On most of the long-distance trips, restaurant cars were provided, and in many cases the fares covered the cost of meals. A strong point had been made of providing at various places warehouse storage, which the large commercial companies could use as distributing centres at a distance from their factories. Traffic could be consigned in bulk to these distributing centres, which was of very great advantage to the consignors in reducing cartage charges and expenses for packing.

* * *

Development of Retail Traffic.

INCIDENTALLY, Sir Josiah drew attention to the tremendous change which he declared had taken place in the commercial practice of sending goods by rail. They are now sent much more frequently in smaller consignments, involving a relatively greater expenses in handling and difficulty in obtaining good loading. Speed in dealing with traffic of a retail nature is essential, and he claimed that with their shorter routes they were able to give as good service as before the war, notwithstanding the greater difficulty of dealing with the traffic at terminal and transhipping points.

The organisation which Sir Josiah Stamp controls is one of the greatest commercial undertakings in the world, with a capital of £450,000,000, employing 100,000 workpeople, and carrying 100,000,000 passengers and 100,000,000 parcels annually.

New Financial Service.

OUR definite objective of making the Magazine a Vehicle of Service has brought enquiries for a form of assistance which we have developed to a considerable extent during recent months. Subscribers requiring businesses have asked us to find something suitable and report upon the soundness of concerns sought. Others desired capital to extend existing businesses. Others again, with patents which required launching and financing have sought our co-operation. These represent but a few of the avenues which have been exploited for the benefit of subscribers recently. As a result of our efforts in this direction and the view of our subscribers' interests, we have succeeded in establishing definite and valuable connections which enable us to invite particulars of propositions requiring finance for exploitation, and of established concerns where further capital for expansion can be profitably employed.

A recent effort involved a lightning application to the High Court to prevent a business being closed down without sufficient consideration. An improved offer was available, necessary time was gained and the whole business successfully put through by B.O.'s own Legal Service, a result in which we felt some pardonable pride.

Good openings for the investment of funds are constantly being brought before us, and those who desire to become associated with a particular class of profession or undertaking are offered our co-operation to whatever degree it is desired.

Two inventions are detailed below amongst a number of propositions on hand. More space will be devoted to this service in succeeding months.

Ref. F.S./29/11.—Prevents theft or interference with milk left at purchaser's door; entirely eliminates contamination by dogs, cats, birds, etc. Can be fixed in a few minutes to the door, and after holding device has been pressed home by the milkman, neither container nor contents can be removed or interfered with except by release from **inside of door**. Production cost low. Selling price within means of the million. Satisfactory quotations for manufacture on hand. A Private Limited Company is proposed with small capital to market the device. Fully patented.

Ref. F.S./30/11.—Eliminates deadweight pressure of tone arm and sound box on Gramophone Records when in use by holding them in perfect balance at the same time allowing the needle to ease the vibrations of the record. Many make of portable, table or floor models. The advantages are obvious.



The Basis of Trade Finance—Why Foreign Loans are Useful— Some Good Investments—Why one should Buy at Year-end.

By OUR FINANCIAL EDITOR.

SINCE my last article a distinguished banker has dealt with the subject I then raised—that of the difficulty of financing a revival of trade whenever it comes along.

I hope most of my readers saw the reports of the speech in which this was done—that of Mr. Frederick Hyde, joint managing director of the Midland Bank, in his presidential address to the Institute of Bankers.

Mr. Hyde showed how the level of bank advances in this country has gone on rising ever since the end of 1923. The chart in his speech showed that between that date and the end of 1925 bank advances had risen more than in the subsequent period from the beginning of 1926 to the end of September this year.

This is highly important although in the report I read the speaker did not stress it. I want to point out its implications. They are of great consequence to the trade and industry of the country.

A RETROSPECT.

Let us first of all go back to our starting point—the end of 1923. Of all the years since the war the year 1923 was the year that gave the promise of returning trade. At that time year bank advances were healthy and had been considerably reduced out of

What was it that turned the tide adversely for this country?

I lay stress on two things. One was America's intensification of Protection for her internal trade by the imposition of the Fordney Tariff. The second was the monetary policy of this country. The first cut down some of our exports and the second caused our exports to be very dear in terms of the currencies of other countries.

Obviously we had no control over the Fordney tariff legislation. Unfortunately, although we had control over our own monetary policy, very few people in the country then took any interest in the subject. Now they have awakened

THE "OLD LADY" AND INDUSTRY.

In 1924 the Bank Rate was raised and an embargo was placed by the Governor of the Bank of England on foreign loans. Both these moves were made with the intention of fortifying the sterling exchange against dollars. But both of them, although not so meant, were direct blows at industry. The high Bank rate and the high sterling exchange put our industry in the position of being unable to attempt to get prices for their goods that the world would not pay. The high exchange rate prevented the proceeds of exports from being spent on orders in this

Is it not extraordinary that in the two disastrous years 1924-1925 bank advances went up more than in the period from the beginning of 1926 to the end of September 1927 although this later period contained the general strike and the long drawn out coal stoppage?

THE FINANCIAL PLIMSOLL.

Now, let there be no mistake about it, bank advances to-day are about as high as is safe on the limited amount of currency allowed to the country. We are not yet out of the wood. In some senses we are deeper in the wood. Hence, as I said last month, every man in industry and trade is vitally concerned in the important question of how new trade is to be financed.

How can trade be financed, should it revive, in view of the present high level of bank advances? Some people say that a fresh embargo should be put on foreign loans so that all our savings could flow to industry.

This I believe to be suicidal and ineffective. It is suicidal because foreign loans are mainly spent in this country; in other words the money lent by the investor goes in orders to our industry. It is ineffective because no embargo which prevents the private citizen from investing in a foreign loan can prevent the big financial houses from lending to their heart's content by investment abroad or by private loans. All the time the last embargo was in being the great City houses were making such private advances abroad.

PORTENTS!

There are a number of possible ways of enlarging the credit basis of the country. Since we are on the gold standard the amount of gold we have in reserve is the real credit basis, but there is no reason, now that paper currency is universal, for having more gold than is necessary for international trade movements plus a reserve of some kind for the currency. If the reserve is to be large then the currency must be kept low and credit will also be kept low. But if a reserve of gold of say 30 per cent is deemed sufficient our present currency issue is too small.

Next year this question of the proportion of gold to the currency issue will have to be dealt with and the present indications are that the monetary authorities will endeavour to make it a high one. If so we shall have fresh deflation and fresh troubles for industry.

PUBLIC'S LOOSE CASH.

Mr Hyde, in the speech already mentioned, suggested a way in which the public could help the financing of new trade. He pointed out that banks maintained a certain proportion of their assets in cash. Everyone who knows anything

of banking knows this to be a very important aspect of its operations. The public, Mr Hyde suggested, carry about too much cash in their pockets. If this were in part paid into the banks—and if (and this is highly important) those banks treated this extra cash as basis for extra credit—then the mere fact of carrying less loose money about with one might be made a basis for helping to finance reviving trade.

The dear rigidarian economists, from whose advice the country has suffered terribly in the past few years, say this would mean inflation. It would be nothing of the sort if the money was actually being used as a basis of credit for additional trade.

The financing of new trade lies in the creation of new bank cash. This must come either by increase in our gold stock, or by making our gold go further. The latter can be achieved by basing more credit on the gold we have. It is the sensible way of doing what is necessary at this juncture of our trade.

THE INVESTMENTS.

Now let us turn from these large problems to the investment market. There are not many outstanding shares to recommend at present largely

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because the autumn boomlet in the industrial share market went rather too far. But investors should bear in mind that the best period for buying in the Stock Exchange is now at hand. As year end approaches stocks and shares have a habit of weakening from causes which have nothing to do with their intrinsic value.

Every business man knows that the time to buy is when the market weakens; hence I recommend careful study of stock markets in the closing period of the year. But, it may be asked, why do stock exchange prices weaken at this time? First, the approach of Christmas turns the investors' attention in other directions. Second, companies which make up their balance sheets at year end have a habit of selling securities as it approaches in order to improve their liquid cash items. Third, autumn and the concluding weeks of November always bring a glut of new issues of capital which are in process of digestion in late December and cause prices—taken the general view—to weaken.

This year these various causes are likely to make the average of December prices for stocks and shares much lower than they were in October. Investors should mark this fact and keep a sharp look out for shares which go lower than is reasonable.

POINTERS.

Amongst the most promising speculating purchases in stocks and shares I would place the following:

3½ per cent. Conversion Loan at up to £76

Allied Sumatra Rubber £1 shares at 21/-.

Anglo-South American Bank £5 paid shares at £7¾.

Meurisse Ltd (Chocolate Makers) £1 shares at 21/-.

Scottish & Southern Counties Ordinary Stock at £113.

United Caterers Ordinary 10/- shares at up to 10/-.

Morris Motors Preference (7½ per cents) at 20/6

Anglo-Persian Oil Ordinary at up to 78/-.

The Conversion Loan is the finest investment in the Stock Exchange gilt edged market. I am convinced that it will reach £80 in the next year and, if it does, those who buy now will get a substantial capital appreciation. This stock meets the needs of those who must have absolute safety as well as a chance of growth of capital. The Government cannot allow the 3½ per cent. Conversion Loan to remain at a low price much longer since it is the index of Government credit.

PROFITS IN PROSPECT.

All the other things in my list have speculative prospects. The bank shares I mentioned last

month and they have since risen 5/-. I believe they are worth £9 each and possibly £10. They have, it must be mentioned, an uncalled liability of £5 per share, being £10 shares £5 paid. In the case of a bank an uncalled liability like this is quite fitting. It is a guarantee to depositors and is in reality no menace to the shareholders. The Anglo-South American Bank is a very successful and well-managed institution. For some years it has had to steer through the difficulties of depreciated South American currencies and it has successfully done so. At the last financial year end, owing to the stabilisation of the Argentine and Brazil exchanges, the bank was able to get all its resources back on to a gold standard basis by utilising some of the reserves it had for this purpose—that is to say it wrote off once for all any depreciation there was in the funds it had in other currencies. It paid a dividend of 10 per cent. last year and its last balance sheet showed great prosperity and a big increase of business. The shares at the present price are a first class investment.

Although I have not space to go into them there are good reasons for confidence in all the other shares in my list. I think each of them good to buy and hold for a better price.

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Income Tax Law.

By F. E. SUGDEN, A.C.I.S., *Barrister-at-Law.*

Changes made during recent years both in the basis of assessment and method of collection have given Income Tax Law aspects of considerable complexity. To assist our readers we have asked Mr. Sugden to deal exhaustively with the most important section—**SCHEDULE D.**—EDITOR.

IN continuation of the interpretation of the operation of Schedule D, what is the legal position in reference to the claim for repayment in case of loss?

A person who sustains a loss in trade may, upon giving notice to the Inspector of Taxes of the district within six months after the year of assessment, apply to the General Commissioners or to the Commissioners for the Special Purposes for an adjustment of his liability by reference to the loss and to the aggregate amount of his income for that year estimated according to the several rules and directions of the Income Tax Acts. If a person is wrongly assessed this relief must not be taken as an appeal against the assessment for it assumes that the assessment was right when it was made and only asks to have it amended in consequence of something that has happened subsequently or at the same time, *e.g.*, loss in trade. It is most important that if a party has been wrongly assessed to make the appeal against assessment irrespective of this particular right the party to be taxed has.

Furtads v. City of London Brewery Co.

In this connection there is the case of *Furtads v. City of London Brewery Company* in which an application to the Commissioners for General Purposes under the Income Tax Act for the amendment of an assessment of profits, upon the ground that during the year of assessment the applicant has been deprived of or lost the profits or gains on which the computation of duty charged in the assessment was made, is not "an appeal" under the Income Tax Act and consequently the Commissioners have no power to state a case under that section for the opinion of the High Court.

There is a difficulty at this stage, namely, what constitutes a loss? The loss must not constitute a diminution of profits but a loss as the general result of the trading? There is a very interesting

case on this point in the case of *Rex v. Income Tax Commissioners for London*. The facts are that in accordance with section 23 of the Customs and Inland Revenue Act 1890 "Where any person shall sustain a loss in any trade, manufacture, or concern, or profession, employment or vocation . . . it shall be lawful for him . . . to apply to the Commissioners . . . for an adjustment of his liability by reference to the loss and to the aggregate amount of his income. The Court held that this does not apply to a particular loss in ascertaining the profits of a particular business which has occurred in the course of the business, but to a general loss resulting from the business, that is a loss as the total result of the business operations. The Commissioners under section 23 ought to consider the aggregate income of the person; then whether he has sustained a loss in any trade, manufacture, etc.; and if so, what is a proper adjustment of his liability to pay income tax by reference to that loss.

The Court further held on the facts that it was not shown that the Commissioners of Income Tax had acted outside their jurisdiction by considering a wrong question.

Profits defined.

The next thorny question to be considered is, what deductions are permitted from gross profits? The profits of a trade or business would for commercial purposes be the difference between the receipts and the expenses necessary to earn them.

The difference between the cost of acquisition and development of property by a limited company and the price realised on a sale of the whole undertaking is not a profit so as to be liable to Income Tax. This point of law was laid down by the case of *Tebran (Johore) Rubber Syndicate Ltd. v. Farmer*.

Also compensation paid to a company for minerals left unworked to support a railway is not profits for it is but consideration for a capital

asset which has been rendered unavailable for the purpose of its business (*Glenboig Union Fireclay Co. v. Inland Revenue*). But profits arising in the ordinary course of trade, though resulting from the realisation of the assets of a business in a winding up, are assessable for Income Tax.

What deductions disallowed.

The next to be considered is, what deductions are not permissible to be treated as expenses and therefore must not be set from gross profits?

No deduction is to be made for sums expended for repairs of trade premises or for the supply, repairs or alterations of trade implements or utensils beyond the sum usually expended for such purposes. The loss not connected with or arising out of trade is disallowed. No deduction is allowed on account of capital withdrawn from the business. The sum employed or intended to be employed as capital in the trade, or in the improvement of trade premises is disallowed.

No deduction can be made for debts owing to the business (except bad debts proved to be such to the Commissioners). Similarly a sum cannot be deducted for a loss which is recoverable under an insurance or contract of indemnity. Also any disbursements or expenses not being money wholly and exclusively laid out or expended for the purposes of the trade or profession. Needless to say domestic expenses are disallowed by way of deductions.

It is worthy of note that speaking of the value of bank debts for Income Tax purposes in cases of bankruptcy of a debtor, the Commissioners will allow the amount which may be reasonably expected to be received on any debt to be the amount of the debt for purposes of assessment.

Where a person carries on two or more distinct trades chargeable under the rules of Schedule D the assessed may deduct or set against the profits acquired in one or more of such trades the excess of the loss sustained in another in the same manner as may be done in the case of a single concern, and may make separate statements.

A person renting a dwelling-house, part of which is used for the purpose of the trade, may deduct or set off from the profits of such trade such sum not exceeding two-thirds of the rent bona fide paid by him for such dwelling house with the appurtenances as the Commissioners may allow.

Examples of disallowed deductions.

Coming in more detail to what amounts are not allowed the following points are worthy of observation. In the case of brewers no deduction

is authorised in respect of premiums paid on the purchase of leases of licensed premises intended to be used as "tied houses" nor for the wasting value of such leases, nor for repairs of tied houses, nor for law costs or other expenses incurred in connection with making, unsuccessfully, applications to magistrates for new or additional licenses, nor for expenses incidental to such applications, nor for a sum paid in the brewers' capacity of owners of an inn to a guest by way of compensation for injuries caused by the fall of a chimney.

No deduction is allowed in respect of debenture interest paid by an English company to debenture holders residing abroad nor in respect of bonuses payable, by the person to be charged, to the lender of money on repayment thereof, nor in respect of an annual subscription by a colliery company to a coal association in consideration of being indemnified against certain consequences of strikes.

No deduction is authorised for loss on trade machinery through removal of business premises, or through closing them, or working them on a smaller scale.

Smith v. Inland Revenue.

Coming to the purchase of a business and Income Tax Authorities there is the case of *Smith v. Inland Revenue*. In this case the testamentary trustees of a coal merchant, who died on 7th March 1915, conveyed the business to his son, who took over the whole assets, in terms of his father's settlement, at a valuation made as at his father's death. Part of the assets consisted of unexpired contracts with colliery owners, under which the colliery owners undertook to deliver from time to time fixed quantities of coal at definite prices.

The rights under these contracts, all of which expired at or before 31st December 1915, and which ultimately turned out to be very advantageous to the purchaser, were valued at £30,000, which sum the son paid to the trustees out of his profits from the business during 1915. In ascertaining the profits of the business for the purposes of excess profits duty for the accounting period from 7th March to 31st December 1915, the son contended that he was entitled to deduct the £30,000 as representing part of the purchase price of the stock in trade. On the 12th April 1921 the Court held in the House of Lords that the deduction was not permissible on the ground that the £30,000 was capital expenditure.

Insurance Companies' position.

There is one point of difficulty, namely, in reference to insurance companies where a life

assurance company, or any company whose business consists mainly in the making of investments, and the principal part of whose income is derived therefrom, or any bank for savings proves to the satisfaction of the Special Commissioners that for any year of assessment it has been charged to tax by deduction or otherwise and has not been charged in respect of its profits in accordance with the rules under Schedule D, the company or bank is entitled to so much of the tax paid by it as is equal to the amount of the tax on any sums disbursed as expenses of management (including commissions) for that year. Relief must not be given so as to make the tax paid less than the tax which would have been paid if the profits had been charged according to the said rules.

Inspector of Taxes v. Evans.

Profits arising from the granting of annuities on human life must also be deducted from expenses of management. In the case of Mutual Assurance there is the important case of *Thomas (Inspector of Taxes) v. R. Evans & Co. Ltd.* In this case a colliery company was a member of an association, a company limited by guarantee, the sole activity of which was the indemnity of its members against compensation in respect of fatal accidents to their workmen. The Association was a purely mutual concern, every person or company indemnified by it being a member who could not transfer his rights apart from the works in respect of which he was protected. Calls were made by the Association and were paid by the members for insurance and nothing more. Out of these calls a general fund was built up to meet claims for indemnity. The Association also created a reserve fund, the interest on which might be applied in diminution of the calls upon members. If a member retired from the Association he was entitled to receive in cash a proportion only of what was called his share of the reserve fund.

The Court held that the Colliery Company, in computing the amount of its profits for income tax purposes, was entitled to deduct the amount of these calls paid by it to the Association and that the surplus of the calls received by the Association from its members and of the income of its investments over the amount of the outgoings to meet indemnity claims did not constitute profits liable to Income Tax.

Place of Assessment.

The next point to be considered under Schedule D is place of assessment under Schedule D. As a general rule a person engaged in a trade or profession is to be assessed by the Commissioners of the Parish or place where the trade

or profession is carried on. Where a trade is carried on by the manufacture and sale of goods the assessment is to be at the place of manufacture. A non-trader is to be assessed at the place where his dwelling-house is situate; or if he has two residences, then at the place at which he is ordinarily resident at the time the general notices are given or at the place where he shall first come to reside after that time. Special provision is made for the case of persons to whom the above provisions do not apply. In fact a person may now be charged to Income Tax under Schedule D whether or not he is engaged in any trade, manufacture, adventure or concern, or any employment, vocation or office, by the Commissioners acting for any parish or place in which that person ordinarily resides. Persons are required to supply in the statement delivered by them such particulars as are necessary to show the place or places of charge, and, if they have two residences or places of trade, may be required to deliver a declaration at each

(To be continued.)

Legal Queries & Answers of the Month.

? "A trading Company doing business with a customer in a neighbouring town receives the customer's cheque in settlement of a debt. The cheque in the ordinary course is paid into the bank and credited to the Company's account. A few days elapse and the bank inform the Company that the cheque has gone amissing in the post, and make the request that a duplicate be obtained from the customer. Duplicate is duly obtained, but in the interval a second Creditor attaches the funds of the customer at his bankers. Consequently when the duplicate cheque is presented it is dishonoured. Had the original cheque not been lost, and been presented without delay, it would have been met. In the circumstances the Company hold the bank responsible for the loss. The bank on the other hand repudiate liability. In the absence of proof of negligence on the part of the bankers, what recourse has the Company?"

Ans. On the facts stated there would not appear to be any negligence on the part of the Bankers, and the Company cannot have any claim against them. It is assumed that the Bank informed the Company without delay that the cheque was missing. The Company's only course is to sue the customer on the returned cheque.



Testing the Results of Market Research.

By H. G. LYALL, F.C.I.,

Director, London Research Bureau

What is the factor which frequently operates to prevent many progressive business houses from applying Market Research as a solution of sales problems? Mr. Lyall deals with this question in a masterly manner born of comprehensive knowledge.—EDITOR.

IT is to be expected that many business men are deterred from applying market research to their own problems by a fear that the results of an investigation may be misleading or inadequate. It has been my experience that this fear is invariably removed when the plunge has been taken and the value of market research has been shown in practice, but that is no reason why an effort should not be made to remove this fear by discussing the fundamental law without which market research would be impossible, I mean the law of average.

Men with interests as wide apart as chemists and actuaries have proved, time and again, that if a sufficiently large sample is analysed the results will be closely indicative of the whole. One of the finest examples of the law of average in operation is to be found in the actuarial estimates of insurance companies. It is possible by actuarial means to estimate risks—deaths at various ages, losses at sea, accidents, etc.—so closely that from the point of view of the insurance companies their own financial risks are reduced to a minimum, save, of course, when the inestimable happens in the form of wars, epidemics, etc. In examining industrial materials experts know that by taking a few samples at

random they will get a close estimate of the whole load. Herrings vary a lot in size and quality and as they have to be packed according to size and quality, and as this also affects the price, the buying of a ship load cannot be done haphazard, yet a load valued at £100 or more will be bought by auction in the open market on a sample of four or five dozen, as I have witnessed myself on many occasions. Yet that load of herrings may consist of four different grades, into which the load will finally be sorted and packed.

It would be possible to show the law of average in operation in large catering firms, large mail order concerns, etc., but it will be more to the point of this article to show its operation in market research.

In a consumer investigation in which I was interested recently it was necessary to indicate in the case of each interview whether the housewife was a young housewife, or an older one. To arrive at this it had to be indicated on each report either that the housewife was under 30 or over 30. We realised that this was a very arbitrary line and that our investigators could only approximate in their estimates, but as we desired only broad results we knew that their estimates

would be sufficient for our purpose. The interviews were grouped according to the following classes:—Middle-class, lower-middle-class and working-class. Now I think it will generally be admitted that on the whole the working and lower-middle-classes marry younger than do the middle-classes. If we accept this as a general rule, then the following figures are interesting as showing the law of average in operation. The investigation consisted of 5,000 interviews spread over 15 centres in England and Scotland, and the interviews were regulated so that 25% would be middle-class and upwards, 35% lower-middle-class, and 40% working-class. The analysis showing the distribution of interviews according to age will be seen at a glance from the following table:—

	Under 30	Over 30
Middle-Class	32% ...	68%
Lower-Middle-Class	37% ...	63%
Working-Class	36% ...	64%
Total	35% ...	65%

An analysis of the 1921 Census returns shows that 34.22% of married women in the country were up to 34 years of age and 65.78% were over that age.

CONSUMER LAW OF AVERAGE.

In view of the impossibility of estimating the age of any person within a few years of accuracy and in view of the fact that the above percentages are the results of the estimates of 12 different investigators interviewing 5,000 housewives only, taken at random, it will be agreed that the percentage figures given are extraordinarily close to those revealed by the Census returns.

That the law of average operates in another direction will be demonstrated by the following example. In a consumer investigation one of the queries was, "Have you ever tried such and such a product?" giving the name of a well known proprietary article. The investigation was conducted by 15 investigators in 18 areas, the interviews ranging from 100 to 200 in each. This was a small number to bring out the average number of users, but a large enough number to get a ruling on the question of price, which was the main object of the investigation. Although an admittedly small number, when the results of the interviews were analysed it was found that the average number of users of the product was remarkably close. Of the 18 areas investigated it was found that in 13 the average number of users ranged in easy stages from 50% to 60% with the exception of one, the others were close enough to be satisfactory. In the one exception noted, however, the percentage was only 16.

This marked exception was gone into very carefully and the reason for it was discovered to everyone's satisfaction.

NEWSPAPER AND PERIODICAL CIRCULATION.

A final example has to do with an attempt we are making to assess the incidence of circulation by class and by area of newspapers and periodicals all over the country. As this work has progressed tests have been made to find out at what point the law of average is operating. The following is an example of one of these tests:—After a little over 300 interviews had been done in London the results were analysed to find out the position of two of the big national dailies, which I will call A. and B. This preliminary analysis showed that A. was being read in 31.02% of the homes interviewed and B. in 21.10%. Other 620 interviews were secured and analysed, and from these it was found that A. was being read in 30.64% of the homes and B. in 20.95%. Over the 900 odd homes it will be seen that A. was being read in approximately 31% and B. in approximately 21%. Other 200 interviews were secured and added to the total bringing it to something over 1,100, and on analysis it was found that in this total A. was being read in 30.16% and B. in 20.50% homes. The drop of 1% or so could be accounted for by the fact that in the 200 lot there was a smaller percentage of middle-class interviews than in the previous lots. Both A. and B. have a bigger circulation in the middle-class than in either of the others. It may be interesting to note what the next stage will be. A thousand more interviews are being secured in London; these will be analysed separately and the results compared with the 1,100 already analysed. If the percentages are fairly close, within 2 or 3%, we shall conclude that the law of averages is operating. The work is being done by different investigators over as wide an area as possible.

FUSION OF "CONVERTIBLE IDEAS."

In the majority of investigations it is not necessary that the results should always be as close as those that I have given here. Broad results mixed with the manufacturer's or distributor's own knowledge of prevailing conditions and garnished with a fair dash of commonsense make a splendid mixture to work upon.

Another question which worries the average business man contemplating an investigation is "How many interviews are necessary to give reliable results?" That is a question which it is difficult to answer in advance. It depends on the nature of the investigation, the distribution of the particular line, the area to be covered and

so on. There is always a minimum that it is unsafe to go below. Recently I was asked to carry through an investigation which would have meant preparing a report on the results of 1,000 interviews spread over 19 centres. I declined to undertake the work because the number of interviews was far below the minimum which I considered necessary. But although it is not always possible to say in advance how many interviews are necessary, it is possible to say after a certain number of interviews have been analysed whether the number decided on in the first instance is sufficient or not. By analysing the interviews in batches—as shown in the above example—it will be found whether or not a sufficient number of interviews have been secured within which the law of average can operate.

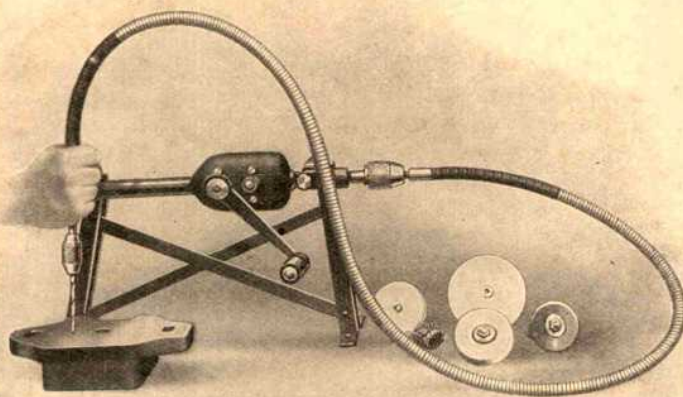
ASSESSMENT OF VALUES.

Another question which the average business man worries over is what checks can be applied to the work of the individual investigator? He has visions of investigators making up information "out of their own heads." There are a great many checks on the work of the individual investigator. In every investigation I have had to do with there have been some marked tendency, or tendencies, which could not have been estimated in advance, but which ran right through the investigation, no matter how many areas were covered. Should one or more areas show a divergency from this tendency then a reason has got to be found for this divergency. The divergency might be due to the faulty work of an individual investigator, or to a number of other reasons, but the reason can be discovered by sending one or more new investigators over the

ground again. The point is, that the law of average operates as a check on the work of the individual investigator, just as it operates in other directions. It would be a clever investigator who could guess in advance what the average is going to be. But there are other checks. One is, the number of brands recorded in the course of an investigation. As a result of a consumer investigation which my staff carried through recently over a wide area, no fewer than 339 brand names were recorded for two closely allied products. I doubt if anyone could have compiled such a stupendous list in advance, I doubt if 50 dealers in the product (taken at random) could together have compiled such a list. Many of the brand names were purely local and others were wholesaler's brand names on originally unbranded articles.

Large Things—and Small.

What is the most striking single aspect of modern commercial life? We suggest the amalgamation of businesses followed by amalgamation of amalgamations. Observers of this phenomenon are disposed to prophesy the ultimate extinction of the small business together with the passing of the individual craftsman, and yet—there is a curious balance in these things. Side by side with this fusion there is constant production of efficiency equipment available for the small business and the individual craftsman. Frequently the only outside salesman of the small retail business is the shop window. The problem of making its "Sales Talk" effective is ever-present to the small business man. An effective show-card is a great success, but can be made more so by the infusion of the seller's own individuality. A device we recently had the opportunity of inspecting affords opportunity for creative skill in outline designs, and expression in wording by means of embossed lines and letters of infinite variety. Production costs were negligible compared with the results, whilst labour was reduced to the minimum. It was possible to operate the machine by means of one little finger only. Retailers who have not seen the Emboss-it Machine have missed an opportunity of adding to their sales and reducing their costs. We strongly recommend readers to obtain particulars. We shall be glad to assist whenever possible.



The portable tool is a familiar feature of modern large scale engineering, but in providing one that works by hand for the small man Terry's have done him a distinct service. This is another illustration of how science is constantly helping to preserve the balance between the domination of large forces, and the individuality of small things. This latest production of Terry's, whose name, by the way, is sufficient guarantee of its quality, should prove of great assistance in these days of "Service" stations, etc., where the multiplicity of small jobs prevents large scale production, and yet the standard of workmanship, and competent craftsmanship demanded is equally high.



Accounting for Stores.

By Capt. J. E. STONE, M.C., F.S.A.A.(Hons.), F.S.S., *Incorporated Accountant.*

II.

IN our article last month we outlined the main principles of Stores Accounting and gave a simple and economical system for general use. In this article it is proposed to enlarge upon some of the more important points which are inseparable from the subject.

STOREKEEPER'S REQUISITION.

The first step in the transactions is the Requisition for the goods required. This form (Specimen No. 3) is made out by the storekeeper when his Bin Card shows that his stock of certain goods is getting low and needs replenishing. The forms are on the carbon copy principle, bound in books, and consecutively numbered. When the requirements have received the approval of the Head of the Department the original is sent to the Ordering Clerk, and the counterfoil retained by the storekeeper for reference and insertion of date of receipt of goods. If an Ordering or Purchasing Department is in existence the original would be sent here. Such a department affords many advantages in a large concern; all requisitions for goods would have to be submitted to it and all orders issued therefrom. This allows of the Manager obtaining a greater control over the purchases than is the case if each departmental head is allowed to order independently, and further, he would be able to contract more favourably for goods to be supplied in bulk or in greater quantities.

ORDERS FOR GOODS.

When the requisitions have been approved the orders are prepared and despatched. All such orders should be made out on official forms, and it should be an understood regulation, and one rigidly adhered to, that no goods may be ordered except on such forms. This is a most important regulation. If goods are urgently required and are ordered by telephone an official order should be sent in confirmation. The official orders are on the carbon copy principle, consecutively numbered, prepared in sets of four, and are distributed as follows: one copy retained by Ordering Department, one sent to Accountant's Department, one to the Storekeeper, and the fourth is sent to the tradesmen from whom the goods are to be supplied. If the size of the business does not warrant the formation of a separate Purchase or Order Department each head of department will be made responsible for the issue of all orders in connection with the work of his department. Only heads of departments authorised to order goods will be supplied with order books.

STORES REJECTED AND RETURNED.

The receipt of goods and the records incidental thereto were dealt with in last month's article.

Details of all goods rejected and returned to suppliers should be entered in a Stores Rejected and Returned Book. This book (Specimen No.

Specimen 3.

STOREKEEPER'S PURCHASE REQUISITION.

No.

Date.	Particulars of Articles Required	Stores Ref. No.	Minm. and Maxm. Stocks.	Present Stock.	QUANTITY NOW REQUIRED.	Purpose for which Required.	Purchase Approved by	Order No.	Date of Receipt of Goods.	Remarks.
			<i>This information allows the Manager or other Chief Official to see that the Storekeeper is keeping his stocks at pre-arranged levels.</i>			<i>Stores or Job or Works No.</i>	<i>Initials of Manager or other Chief Official. Ensures that all requirements are brought to notice of a responsible official.</i>	<i>Inserted by Office Clerk.</i>	<i>Inserted by Storekeeper on his copy.</i>	

.....Storekeeper.

4) is on the carbon copy principle, prepared in triplicate by the Storekeeper, and after being initialled by the official rejecting the goods, the copies are distributed as follows: one copy retained by the Storekeeper, one to the Accountant's Department, so as to ensure the receipt of a proper credit note in due course, and the third sent to the Order Clerk for noting on his counter-foil of the order.

CHARGING OUT ISSUES.

The proper method of calculating the values of materials issued from stores is a matter which requires careful treatment. Where chargeable work is concerned the question assumes a most important aspect. For instance the price of lead fluctuates widely and if it is part of the book-

keeping system—as it undoubtedly should be—to show the cost of each department, job or work undertaken the basis adopted in charging out the issues must be settled on sound lines or unreliable costs will result. Where goods are supplied at a fixed contract price there is, of course, no difficulty in basing the issues on that price. Where different prices are involved, and this in practice is generally the case, the most common method is to price the issues in the order in which the purchases were made, *i.e.*, if a No. 1 consignment of "A" goods is bought at 2s. 6d. a lb. all issues of "A" goods will be priced out at this figure until a quantity equal to No. 1 consignment is exhausted and so on. At the end of the year the stock on hand would be priced at the rate at which the last consignment was purchased.

Specimen 4.

STORES REJECTED AND RETURNED.

No.

Date.	Particulars of Articles Rejected.	No. or Quan.	To Whom Returned.	Price.	Value.	Stores Led. Fo.	By Whom Rejected.	Reason for Rejection.

In some cases an average price is adopted, but in the majority of cases, unless very costly materials are concerned, the results obtained are not commensurate with the work involved.

In addition to the actual cost of the materials issued there are usually a number of other items to be charged to the departments or jobs concerned. Such items include charges for handling, delivery, storage and general expenses of upkeep of stores department. The actual increase in value of any materials owing to labour directly expended upon them before issue should also be included in the price at which such materials are issued.

WHAT ITEMS SHOULD PASS THROUGH THE STORES LEDGER.

Another point of equal importance which requires to be carefully considered at the inauguration of a Stores System is the question as to what items shall pass through the Stores Ledger. Shall the Ledger include only articles which pass into actual possession of the Storekeeper to the exclusion of all others, or shall it include all purchases of stores including those purchased specially for and used on particular jobs and which are delivered direct to these jobs? Unless this question is carefully considered and the method to be adopted definitely decided upon at the beginning complications will surely arise and the system fail to achieve the results desired. Obviously for the system to be a complete record of all stores transactions *all* goods received, whether actually taken into stock or not, should be included in the Ledger. The foremen on the various jobs could be provided with special slips upon which to notify the Stores Ledger Clerk of all such deliveries. These would then be treated as combined delivery notes and requisitions, and from them the necessary debit and credit entries would be made in the Ledger. If any considerable quantity of such materials are unconsumed at the end of the year their value would of course have to be taken into account in arriving at the cost of the works uncompleted. The treatment of the problem will naturally vary according to local circumstances, but if this method is not used it must be remembered that charges to the respective accounts would come from two sources, some by direct allocation on the invoices, and some through the stores book.

RETURNS TO STORES.

Unused and old materials returned to stores should be recorded in the accounts in the same way as new materials, undamaged materials being taken on charge at their actual cost, and used or

Biography No. T.732

When Thompson came to The School of Accountancy he was an assistant cashier at £130 a year. Acting on my advice he trained under the School's postal tuition for eight months. He passed the examination of the Chartered Institute of Secretaries and was appointed Secretary of four Companies with a salary of £700 a year.



J. D. C. MACKAY,
Principal, The School
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No.

[illegible]

A proper system of stock-taking is essential to any system of stores accounts. It is one of the most important sections of the work which go to make up the complete record of financial transactions, and upon its accuracy depends the correctness of the Profit and Loss Account and the Balance Sheet. Stock should be taken by or under the supervision of an independent stock-taker or an official of the concern who is not in any way responsible for the stores, and the Stock Lists prepared from actual inspection of the goods. The prices can be obtained from the Stores Ledger, Invoices, Contracts, &c., and the calculations worked out *and checked*. The Lists are certified by the Storekeeper and the head of

COMPARISON OF ACTUAL WITH STORES LEDGER at 19

[illegible]

NET VALUE $\frac{\text{OVER}}{\text{UNDER}}$ £ :

the department both as to existence of the quantity of stocks shown, and by the head also as to the values placed upon them. The officials responsible for the work should sign a certificate in the following form at the end of each Stock List :—

Stock taken by.	Existence and Value
Checked by	certified by
Priced by.	(Head of Department)
Extensions worked ..	Examined
Extensions checked. .	Accountant

While the actual stock is being taken and listed an assistant, preferably of the Accountant's staff, should prepare from the Stores Ledger a list of the balances appearing therein (Specimen No. 6). When the actual Stock Lists are received in the Accountant's Department the figures will be inserted against the respective items on this List of Stores Balances. The results of the Stocktaking can then be compared with the book entries and discrepancies noted and inquired into. Strict investigations should be made promptly into any ascertained large differences.

Stocktaking is usually carried out at the end of the financial year but it is strongly recommended that this final examination be supplemented wherever possible by a system of partial tests at more frequent intervals. Some concerns arrange for periodical stocktakings; say stores A to C one week, D to F another, and so on. The Stores Ledger Balances are struck on the days the actual stock is taken and differences inquired into at the time. At the end of the year the book stock is taken as the actual stock unless very costly material is involved or there are special reasons for a contrary practice. Thus the heavy work of stocktaking is spread over a fairly long period without in any way disorganising the general routine work of either the Stores Department or the Administrative Office.

CONCLUSION.

Stores Accounting does not mean merely book-keeping as such. The best results can only be obtained by the transactions themselves, as well as the recording thereof, being all controlled by "system." Those responsible for the work should realise that the same degree of accuracy may be attained, and indeed should be expected, in the stores accounts as is demanded in all work in connection with the financial books of the business.



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Points for Retailers.

By ALF. WOOD.

"It is better to organise your business from the inside than admit a liquidator from the outside." A platitude? May be; but how often honoured more in the breach than the observance.—EDITOR.

IT has been said that "From principles is derived probability; but truth, or certainty, is obtained from facts."

The facts of a business are contained in its financial history—the books of account—and a careful study of the Annual Accounts is well worth while.

How many small traders realise that the cost

of doing business can be ascertained from the aforementioned accounts and a business barometer started from the same source?

By the use of a monthly Comparative Statement it is possible to know how the business is progressing or otherwise, and the following ruling is recommended:—

COMPARATIVE STATEMENT.

Items of Expenditure	1925		1926			
	Year	Month	Jan.	Feb.	Mar.	
Wages ...						
National Insurance						
Rent ...						
Rates, Taxes and Insurance						
Lighting and Heating						
Sundry Supplies (wrapping paper, string, etc)						
Delivery						
Carriage ...						
Advertising						
Repairs						
Depreciation and shrinkage						
Interest						
Discount						
General Charges ...						
TOTALS						
Cumulative average expenditure last year						
Cumulative expenditure this year						
Increase						
Decrease						
Cumulative sales last year						
Cumulative sales this year						
% of expenditure on sales last year						
% of expenditure on sales this year						

Enter credit balances in red ink and deduct from the total expenditure.

While a wiseacre has said that "comparisons are odious" the information culled from the Comparative Statement and tabulated below, rather belies such an assertion:

- (1) Total expenditure for last year (excluding goods purchased for sale).
- (2) Average expenditure per month for last year.
- (3) Expenditure this year—month by month.
- (4) Cumulative average expenditure for last year—month by month.
- (5) Cumulative expenditure for this year—month by month.
- (6) Increase or decrease compared with last year.
- (7) Cumulative sales—last year.
- (8) Cumulative sales—this year.
- (9) Percentage of expenditure on sales—last year.
- (10) Percentage of expenditure on sales—this year.

Such a statement may seem to be very involved, but is really simple (the figures are copied monthly from the impersonal accounts in the ledger) and enables the retail distributor to be guided in his business policy by facts.

The percentage of expenditure on sales is the cost of doing business, and by comparing it with the percentages of profit on the various lines sold, it can be seen at once which articles are the most profitable—after allowing for the working expenses of the business.

It may not be out of place at this juncture to show how percentages of gross and net profit are calculated.

- (A) An article costs $6/8$ and is sold at $8/4$, what is the gross profit per cent.?

Selling price	.	$8/4$	—	100%
Cost price	...	$6/8$	—	80%
Gross profit	...	$1/8$	—	20%

The selling price always equals 100%.

Therefore if $8/4$ equals 100% what percentage does the gross profit ($1/8$) equal? Multiply the gross profit by 100 and divide by the selling price.

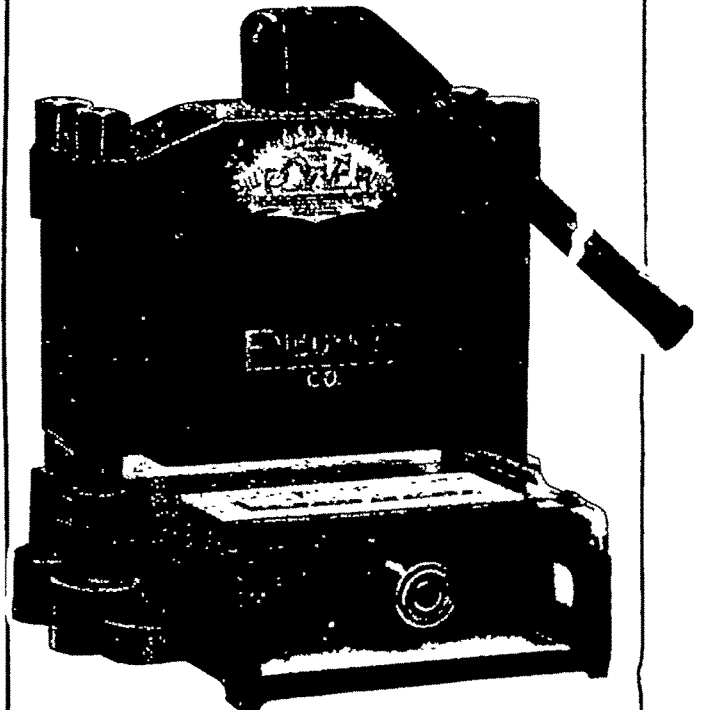
- (B) An article is sold at 10/- and costs $6/8$. The cost of doing business is equal to say

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THE EMBOSS-IT CO., LTD.,

26, ST. BRIDE STREET, LONDON, E.C. 4.

15% on sales, what percentage of net profit does this show?

Selling price	.. 10/-	—	100%
Cost price	.. 6/8	—	66⅔%
Gross profit	.. 3/4	—	33⅓%
Cost of doing business			15%
Net profit			18⅓%

- (C) Suppose it is required to fix a selling price on an article which costs 5/- The selling price must include 10% net profit and 15% for the cost of doing business. What would the article require to be sold at?

Selling price	...	100%
Cost of doing business	15%	
Net profit required	10%	25%

The cost price is therefore 75% of the selling price.

If 5/- (cost price) — 75% then
100% (selling price) — 6/8.

Proof. Selling price ... 6/8
Less 25% ... 1/8

Cost price ... 5/-

Certain manufacturers of proprietary goods fix wholesale and retail prices thereby determining the retailers' profits. In such instances the Comparative Statement is very valuable in enabling the owner of the business to know what the *net* profit is, on such goods.

A problem of considerable complexity which is exercising the minds of retail distributors is, "Does the extra business secured by having premises in a good shopping centre adequately compensate for the extortionate high rents demanded for such shops?"

RATIO OF RENT.

Some time ago a statement of shop rents in all districts of a large city was prepared, and for the purpose of comparison the statistics were confined to one line of business.

On looking over the completed list it was noticed that in a considerable number of cases, the shops which were doing the best trade were

the lowest-rented ones in the particular thoroughfares.

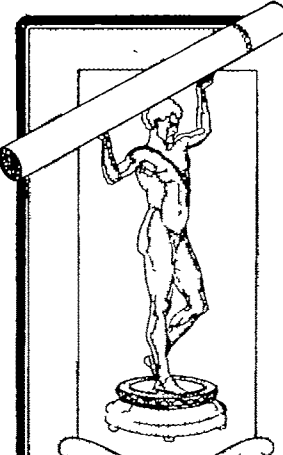
There is great need to see that the rent is not unduly out of proportion to the business being done.

In small shops the weekly drawings should be approximately equal to the annual rent (without rates and taxes) in order to be a reasonably profitable undertaking. On this basis, as the turnover increases the ratio of rent should gradually decrease, due to the lower proportion of fixed charges to sales.

Every retailer should focus his attention on the following salient points:—

- (1) The value of the Annual Accounts to a trader.
- (2) The need for close scrutiny of all expenses and their relation to sales, every month
- (3) The profits carried by the various lines.
- (4) The fixing of selling prices from accurate data
- (5) The relation of the shop rent to the business done.

"It is better to organise your business from the inside than admit a liquidator from the outside."



Always it is the master touch that lifts everyday things above the commonplace

'PERFECTOS'

No 2

VIRGINIA CIGARETTES

10 for 10½ 20 for 1/9
50 for 4/3 100 for 8/-

JOHN PLAYER & SONS, NOTTINGHAM
Branch of The Imperial Tobacco Co. of Great Britain and Ireland, Ltd.

P.P.299

BOOKKEEPING and ACCOUNTING

Individual Postal Tuition Fee moderate, easy payments Success guaranteed at two final exams. Booklet, testimonials free.

CITY CORRESPONDENCE COLLEGE,
(Dept 459), 89, New Oxford St., London. Phone. Museum 8186



Why not Start a Firm's Business Library ?

Every office and factory should have its lending library for employees. Read this important article

By BUSINESS ORGANISATION SPECIAL COMMISSIONER.

THE great value of a business library in an office is not to teach business, but to speed the pace and to extend the range of operation. We all know that business is not learned in books . . . but the business book can be a remarkably handy means of amplifying the powers of the business man.

THE TWO PROBLEMS.

For, after all, even when business has been mastered, the man in business still has two serious problems : (1) The problem of swiftness, and (2) The problem of deputed work.

Time was when a business man could say, "I employ twenty 'hands'," and the idea expressed was sound. He was the brain of the place, his employees multiplied his powers of operation and, in that sense, were additional 'hands.'

Nowadays, if a man wants to hold his place in a highly competitive market, and advance at the speed in operation, which new conditions necessitate, even if he only keeps pace with his fellows; he must alter that word "hands." He must be able to say "I employ twenty brains."

We have reached the time when the worker who is not constructively helpful can be a loss to any business. "I reckon a thoughtful worker

as a fighter on my side. I reckon a thoughtless worker is two enemies against me," said a business man lately, and he hit the nail on the head.

A RISK HE DARES NOT TAKE.

The business man who was afraid to employ able men for fear they might steal his trade a little later, might have had his chance a few years ago. He has none to-day. He can take many risks : but he dare not take the risk of standing in the keen struggle of competition with a backing of "duds" and duffers.

Hence the value of the commercial library.

We will admit right off that the business man does not teach his staff business by means of books. Much more likely he himself is the real inspiration that makes them business men.

But, just as the wireless requires the loud speaker or the earphones in order that the thing shall work, the business man will find that some visible and tangible means of amplification will help him to bring that staff of his up to the pitch that is needed.

THE USE OF THE BUSINESS BOOK.

And this is where the office and works library comes in.

We are not here only addressing the business man about his staff. We say the same thing to the member of the staff about his relations with his employer.

Many a clever young fellow has worked for a brilliant employer and yet failed to learn from him all he should. Why? Because there have been no simple means by which the spirit of the employer has been interpreted or carried over to the employee's mind. A wireless aerial is no use to a listener-in where there is no link between the two.

Here is the place of the commercial and industrial library. It lacks what the business man has: the atmosphere and life of business, but in actual connection with an energetic and active trading concern it links up the learner with the lesson. To see business in practice, and to read about its principles in a masterly book is to make that part of education complete.

THE THREE CHANCES OF LOSS.

One of the most remarkable facts about commerce is that a worker can go on year after year performing the operations that belong to his task and yet not see their real application to the general trend of business and production. Very often such work can be quite intelligent and be quite well done, but where there is this limitation of real knowledge, there is a likelihood of loss in three ways.

(1) The worker may feel there is no soul in his work and become discouraged;

(2) The employer may feel he has loyal workers but he hasn't got sympathetic service; and

(3) The line between employer and employed can become a gulf, cohesion be lost and effectiveness allowed to suffer.

We are often reminded that the business world needs a more sympathetic understanding of the workers by the employer. This is true. But an equal truth, and one that is not so often emphasised, is that the business world needs a more sympathetic understanding of the employer's problem by the worker; whether he be operator or executive.

REVEALING THE EMPLOYER'S PROBLEM TO THE STAFF.

And this is where the commercial library comes in. It reveals the policy behind the act: it explains the necessity behind the rule.

Nor is the gap between master and man the only one to be bridged. Those who often meet commercial travellers in their hotels of an evening can remember many a story of "office red tape" and of remarkable occurrences that ap-

FOR YOUR LIBRARY.

SPECIFY

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ON

BUSINESS ECONOMICS

Background of Economics

By M. H. HUNTER and G. S. WATKINS.
514 pp. 15/- net.

Engineering Economics

By J. C. L. FISH. 311 pp. 15/- net

Practical Economics

By H. P. SHEARMAN. 388 pp. 12/6 net.

Economics of Business Cycles

By A. B. ADAMS. 263 pp. 12/6 net.

Business Cycles and Unemployment

405 pp. 20/- net.

Waste in Industry

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Seasonal Operation in the Construction Industries. The Facts and Remedies.

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Also Books on Accounting, Advertising, Banking, Costing, Credits, Correspondence, Finance, Trade, Organization, Insurance, Management, Selling, Statistics, etc., etc.

WRITE FOR CATALOGUE B.O.A.

McGraw-Hill Publishing Co.,
Limited.

6, BOUVERIE STREET, LONDON, E.C.4.

parently show that some salesmen don't understand book keeping or that some book keepers don't understand salesmanship.

Look on the other side of the picture.

There are many business houses to-day where much of the old friction is being avoided, and not only does it mean that there is much more comfort in the way the work proceeds, but there is better success for the business as a whole. And this brings in its train quicker chances of promotion and fuller profits.

After all, increased profits are highly important to the worker. Increases in salary are rarely made when profits are shrinking.

In many of these progressive houses there is a definite recognition of the value of commercial and technical literature. In some cases at considerable initial expense (and it is really a cheap investment) large libraries are fitted out and the books placed at the disposal of any members of the staff.

A SUGGESTION.

In some cases the staff are invited not simply to read the books but to mark passages of special importance and to make marginal notes.

Without hesitation the writer recommends this course. Such comments should not be captious criticisms, but sincere comments arising from personal knowledge, opinion or doubt. The writer has himself read a business book in which the opinions of five or six readers were noted in the margin and there was no doubt that the value of the book was increased.

One employer who adopts this plan frequently looks through the books and as all comments are initialed he finds it a good way of discovering some young workers whose abilities might otherwise be overlooked.

A NEW DEPARTMENT.

This article is written for a purpose. The editor of "Business Organisation" after long and careful study of commercial and industrial conditions has become convinced of the enormous value of the library to the modern business house. He sees it as just that special means of linking up intention with plan, purpose with activity, department with department, and employer with employed, which, in this age when it is "the little extra bit" that counts, can make all the difference between success and non-success, not only to the concern as a whole, but to the units that comprise it.

In order that this magazine shall be of use in this way, he has established a department, well advised by experts, whose services are at the disposal of all business firms,

This department will advise upon the selection of books on any named subject and upon the formation of a complete Business Library suitable for the special firm and its conditions.

IMPARTIAL SERVICE.

One great advantage is the impartial nature of such service. There is no bias in favour of any particular publishing house, for the Magazine is entirely unhampered by obligations. With the utmost frankness and sincerity the best books for the purpose will be recommended (or selected if desired).

In a recent case where the department was requested to fit out an all-round selection of books for a large firm in a distant part of the Empire, the ultimate selection was found to cover practically every phase of commerce in a most helpful and constructive manner.

Where a firm forms a library it is desirable to select as librarian some employee or member, who is a bit of a book enthusiast, and to permit him to have a display board in a fairly prominent position on which he can place notes from time to time calling attention to special works.

There should of course be a record of borrowings, and also a time limit for reading.

*Every Advertiser and Sales Director
should read the new book—*

PSYCHOLOGY AS A SALES FACTOR

By A. J. GREENLY

Mr. Greenly sets out to prove that successful selling is really a science and not mere luck. He indicates what the average individual may be expected to think and feel in given circumstances; what he will usually like and dislike; what he can be relied upon to respond to; how to influence him and grip his imagination; The biggest problem of all; how to secure satisfactory response to advertising appeal, is answered constructively and with a wealth of valuable suggestion.

"A thoroughly practical book written in a bright yet scholarly style, and never becoming didactic or ponderous. *Psychology as a Sales Factor* should become a standard work with which no man interested in selling anything will be able to dispense."—*Advertiser's Weekly*.

Cloth, Gilt.

Price 10/6 net.

From a Bookseller, or—

SIR ISAAC PITMAN & SONS, LTD.,
PARKER STREET, KINGSWAY, LONDON, W.C. 2.



Commonsense Methods of Business Building.

By CUNLIFFE L. BOLLING,

*Author of "Commercial Management," "Sales Management," etc.
Lecturer in Salesmanship and Advertising to the Polytechnic, London, W.*

X.—How to Produce Sales Literature.

In this series of articles, started in the March issue, Mr. Bolling is dealing with the principles, practices and problems of modern sales management and advertising.

The advertising section is completed by the present article. The remaining articles will deal with salesmen, agents, showrooms, exhibitions, and other important factors in business building.

IN last month's article I described some of the uses of sales literature (catalogues, booklets, folders, leaflets, circulars, etc.) and the principles that should govern its production.

The first essential is interest—if sales literature does not excite the interest of the recipient at first glance it is doomed. It should always be assumed, in designing a piece of sales literature, that the prospective customer to whom it will be sent is apathetic, for this is usually the case. His apathy may be due to the fact that he does not realise his need for the article that is being offered to him, or he may not understand precisely what the article is, or again he may be "sold" on a competitor's article and not appreciate the advantages of the less familiar one.

These points show that if a piece of sales literature is to be successful it must meet the prospect on his own ground and talk to him in his own language so that its message is brought home to him.

WHY SOME ADVERTISERS FAIL.

Too often the advertiser produces sales literature that reads as though he had never been outside his own works. It is written from his viewpoint, as a manufacturer or merchant, in his technical language and is full of superlatives, "hot air," and boasting. This form of sales literature does more harm than good because it alienates the prospect's interest by telling him things about the article that do not appeal to him. In salesman's language, "it leaves him stone cold."

A shopkeeper who receives a magnificent booklet advertising a business machine may recognise it as a fine piece of sales literature and may be impressed with the appearance, cleverness or novelty of the machine, but none of these things will make him buy the machine. If his interest is to be aroused the booklet must show him clearly the advantages to be gained by him if he purchases the machine.

The booklet offering easy chairs must have *comfort* for its strong point—frames, springs and upholstery are incidentals.

The booklet offering a motor car must have *easy travel* for its strong point—engine, chassis and body are incidentals.

The manufacturer of refrigerators must talk about saving food, the manufacturer of cleaning appliances must talk about health and so on.

If advertisers would only ask themselves why people buy their goods, or ask the people, a great many of them would change their copy.

PROMOTE ACTION.

Every piece of sales literature should be designed to promote action on the part of the recipient, otherwise any good effect of the interest created may be lost in a few hours. These are busy times and buyers are inundated with offers of service, with the result that they have to make quick decisions and have little time to seek new lines or new appliances.

The most difficult task that can be given to postal publicity and the greatest test of a piece of sales literature is the bringing of direct replies, but this task is a requirement of many advertisers

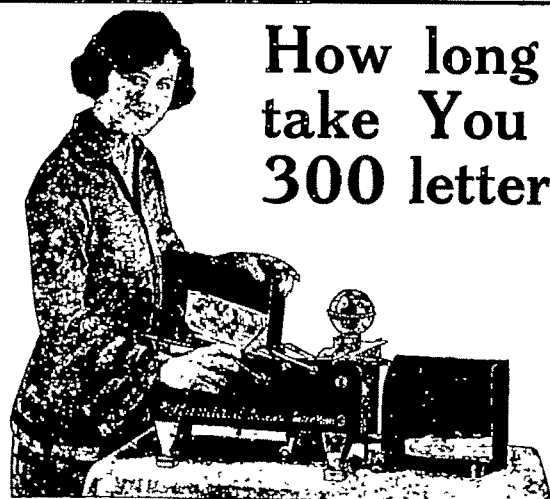
and the test is one that should be made. It is a good plan to let each piece of sales literature, whether it is a catalogue, booklet, leaflet, circular letter, blotter or novelty, work for a direct reply of some sort.

The reply asked for may be an order for a sample parcel of goods, an appointment for a salesman to call or a request for further literature, but whatever form of reply is asked for, the invitation to reply must be properly introduced and worked up to, not thrown in at the last moment as though it was an afterthought.

These replies will assist in the planning of the salesman's journeys as they will naturally disclose the hot prospects upon the mailing list, and they will also be exceedingly useful in showing the relative interest of the different districts in the advertiser's offer of service and the relative power of his various pieces of sales literature. The advertiser should make it as easy as possible for the prospect to reply and it is a good plan to enclose with the sales literature a postcard for his reply.

REPLY POSTCARDS.

This postcard can be printed with the wording of the reply that is asked for, with spaces for



How long does it take You to seal 300 letters?

You can do it in
1 minute

with a

STANDARD ENVELOPE SEALER

The Machine which is used all over the World by Government Departments, Banks, and large and small concerns generally.

The most widely used machine of its kind on the market. Seals simply, safely and cleanly. Motor or hand models for every Mailing need. All models except Junior F equipped with famous Standard Suction-feed moistener.

Price: £15 - 0 - 0

Other Models from £9 - 9 - 0

STANDARD MAILING MACHINE CO.
Faraday House, 8-10, Charing Cross Road, London, W.C.2

'Phone: Regent 6866

The STANDARD STAMP AFFIXER

SAVE TIME & LABOUR
ON YOUR POSTAGE

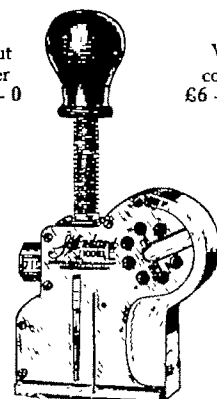
No more letters returned for postage
No loose stamps left around the office
but complete protection for your postage
and if required, a mechanically certain
record kept.

Only two moving parts. Uniform
moistening of entire gummed surface
Does not cut or tear the stamps.

Guaranteed for
12 months.

Without
counter
£5 - 15 - 0

With
counter
£6 - 10 - 0



the prospect to fill in any necessary details and add his name and address

For example, the postcard might be worded

" Please send a copy of your complete catalogue to.—

Name

Address

"

or

" Please ask your representative to call here at o'clock on

19

Name

Address

"

In this connection it should be mentioned that in selling articles of equipment or machinery that call for capital expenditure, it may not be safe to ask the prospect to grant an appointment for a representative to call as so many people are shy of being "hunted" by speciality salesmen and would consider this reply to be "asking for trouble."

" PLEASE DON'T SEND A SALESMAN."

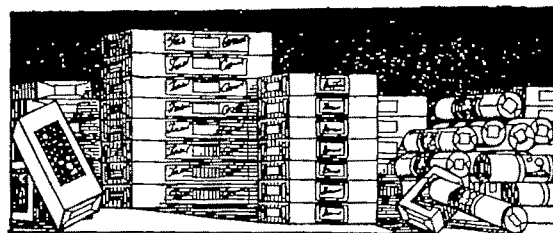
It is certainly true that prospects will very rarely send in a reply postcard that invites a salesman to call, and it has been my experience that more than half of the people who write for particulars of equipment or machinery say in their letters, "Don't send a salesman" or words to that effect

The advertiser will usually find it better to let the reply postcard take the form of a request for a booklet or catalogue, which should be given a distinctive name and attractively described in the sales literature. The prospect who sends in this request will disclose an interest in the advertiser's offer of service and the advertiser will be able to send his salesman with the literature if he wishes to do so. He should not do this, however, if the prospect says he does not wish to see a salesman, as this might annoy the prospect and spoil the advertiser's chance of obtaining business.

The range of sales literature used by an advertiser will naturally vary according to the class of business and the work that the literature is called upon to do.

CATALOGUES AND PRICE LISTS.

In nearly every business there is a call for a catalogue illustrating the range of lines dealt in, giving full particulars of each and describing the advertiser's service to his customers. The catalogue may or may not give prices and terms of payment. In many cases it is far better for the advertiser to publish a separate price list. When prices are subject to continual fluctuation it is a measure of economy to publish a separate price list as it will then be unnecessary to reprint the catalogue in order to alter the prices.



Builders of goodwill

Everywhere they go your parcels advertise you and the better they are packed the greater their free advertising value.

Well packed parcels, labelled with well designed, brightly printed Gummed Labels and sealed with printed Gummed

Tape will keep your products safe in transit and be real goodwill builders on their journey.

Ask your Printer for our free booklet on the art of attractive packing. It shows you how to make—
EVERY PARCEL A TRAVELLING SALESMAN.

use
Gummed labels

quicker
cheaper
cleaner

Advt. of
Samuel Jones
& Co., Ltd.

When the trader serves different classes of customers (*e.g.*, wholesalers, retailers, exporters and institutions) and each pays different prices it will also be better to publish separate price lists as the advertiser can then have the same catalogue for all of them with a special price list for each.

With every catalogue the advertiser should supply a pad of printed order forms, following the sound policy of making it as easy as possible for the customer to send in his order. He may go a step further and supply them with addressed envelopes to carry their orders.

A general catalogue covering the entire range of a trader's lines or dealing with every phase of his activities will be a costly production and the advertiser can therefore be excused for not sending them broadcast to everyone in the trade.

LEAFLETS, BOOKLETS AND FOLDERS.

It is usually advisable to produce leaflets, folders or booklets for general distribution, using these less costly articles to introduce the catalogues. The leaflet, folder or booklet gives a selection from the catalogue or a summary of the advertiser's service and, following the principle already laid down, leads and invites the recipients

to send for the catalogue, giving them an addressed postcard for this purpose.

The success of these introductory items of sales literature depends to a great extent upon the selection of the representative lines shown or the summarising of the offer of service. The lines selected should be the advertiser's most successful ones—proved sellers—and the services described should be the most popular ones he renders. Nothing succeeds like success!

The advertiser may also require a number of booklets in the nature of extracts from or supplements to the catalogue, each one dealing with some special department or phase of his activities.

He may also require booklets for distribution to persons other than the buyers of his products. The machinery manufacturer should produce a special booklet for the operators of his machines and many manufacturers of general merchandise distributing their wares through retailers could with advantage publish booklets for the instruction and assistance of the shop assistants who handle their wares.

CIRCULAR LETTERS.

In addition to the above forms of sales literature, mention must be made of the all important circular letter which is used to "broadcast" special offers made by the advertiser, to announce new lines, new branches or other developments.

A distinctive letterheading is essential to a good sales letter and the advertiser should get an expert to design and produce a heading that will represent his business. He should not hesitate to use a special heading for a particular purpose. Just as a man needs a range of clothing for use on different occasions, a business needs a range of letterheadings to carry different types of message.

The body of the circular letter should be printed in imitation typewriter by a specialist, and the letters should be signed by some member of the staff. If this plan is followed carefully, the circular letters can be made to resemble individual letters so closely that only an expert can tell the difference, and this will make them much more effective.

Another very useful class of sales literature is the "gift" class which covers diaries, calendars, blotters, notebooks and novelties supplied free for the use of prospective customers. These items serve the purpose of keeping the advertiser's offer of service with his name, address and telephone number, before the buyer, giving the advertiser a good chance of obtaining business when orders are being placed.

CHOICE OF A PRINTER.

It seems superfluous to say that the production of sales literature should be entrusted to an

NOISE DESTROYS NERVES



Why BANG your way through
your correspondence when
you can glide swiftly and
noiselessly through it
with the aid of

a

Remington- Noiseless Typewriter.

You will get Remington strength
and reliability—*plus the quiet*
you have always wanted.

Efficiency first

CALL UP THE NEAREST
REMINGTON OFFICE FOR HELP

expert sales literature printer, but I know a very large number of advertisers who should take this advice to heart. I say, "sales literature printer" because the printing of sales literature is a specialised business and the ordinary jobbing printer is no more capable of undertaking the task than the ordinary house painter is capable of painting a portrait.

In spite of this, many advertisers, attracted by a piece of sales literature printed by a specialist, will take it to a third rate printer and ask him to produce a similar job. Having a pattern before him is no assistance to the third class printer, for the specialist's advantage is largely a matter of equipment, craftsmen and experience. He is equipped with the very latest type of composing machines giving him an inexhaustible supply of new type of the highest quality and in a great variety of faces, cast in bars ready to go on the press. He has presses that give "dead register," printing one colour, if need be, exactly over another so that no vestige of the first colour shows. He also has modern embossing, folding, stitching and other machines that play an important part in producing a fine quality job. His men are highly skilled in advertising work and his experience tells him which paper, inks and other materials are most suitable.

There is a great deal in this choice of materials and the advertiser will be well advised to seek out the printer who is best equipped for his work, and consult him on all such matters. His advice is usually given without charge so that all the advertiser has to pay is the difference between the specialist's charges and those of the third rate printer.

INVESTMENT OR EXPENSE?

No comparison between the charges of the two classes of printer is possible. **The specialist's charges represent an investment while those of the third rate printer represent an expense.**

The best way for an advertiser to select his printer is to watch for specimens of sales literature that please him and then find the printers who produced them. Most booklets, catalogues and folders bear the name of the printer at the foot of the back page or thereabouts.

The advertiser should not hesitate to employ different printers for different styles of work. Differences in equipment make for differences in the finished jobs and even the best equipped specialist may be unable to satisfy all the requirements of a discriminating advertiser.

*Next month Mr. Bolling's subject will be
"How to direct Travelling Salesmen."*

PRINTING

Good Commercial Printing helps
you in your business—in fact
it is the oil which keeps
that good ship
Organisation
running

BOOKS MAGAZINES
PERIODICALS
LEDGERS INVOICES
LEAFLETS INDICES
BROCHURES
PRICE LISTS &c. &c.

We
can produce
any of the above
promptly in really first-class
style and at competitive prices

BOTOLPH PRINTING WORKS

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KINGSWAY

Telephone
HOLBORN 1106

W.C.2

Manager:
A. J. M. IVISON



Statistics for the Buyer-Executive.

By JOHN CROYDON.

The compilation, collection and expression in various ways of statistics relating to buying are essential if the buyer and his assistants are to have an adequate grasp of their occupation and department. Memory, however good, is at best a fallible guide. The efficient buyer arranges for the classification, collation and expression of all the information he needs, sees that it is kept in a convenient form and place, and above all that it is used.

—Eric N. Simons in "Successful Buying."—Pitman.

IN the concluding paragraph in last month's article on Statistical Control it was hinted that sectional trading accounts, on the lines which were advocated in that article, would not only act as a very valuable check upon stocks, by way of preventing the possibility of leakage, but would also provide the executive with information in other directions which would amply compensate for the labour and expense entailed in their preparation.

It would be impossible to estimate the advantages which might accrue to the purchasing department of any business from the intelligent use of certain information which would be automatically furnished in the preparation of these accounts, and in other ways which will be outlined.

One of the most difficult problems in any large business, carrying huge stocks of a multifarious character, is the adequate and judicious control of stocks, and this is true, also, in a lesser degree, with regard to the smaller business. There are so many apparently conflicting interests, or points of view, to be studied or taken into consideration that any statistics which are obtainable, and which would be calculated to assist the management in this direction, should be taken every possible advantage of.

COMPARISONS OF PURCHASES WITH SALES.

The adequate control of purchases is very important. And yet how easy it is to over-buy,

buyers know only too well. Before coming to a consideration of the information which is furnished by the sectional trading account, it will be of interest to outline particulars of a very useful record for the buyer-executive which is provided by a monthly comparison of the relation of purchases to sales. I will explain what I mean.

We will assume that the average gross profit in a certain business is 25 per cent. of the sales. It therefore follows that the normal percentage of purchases to sales is 75. (It is assumed that we are considering a distributing business. In a manufacturing concern wages and other manufacturing costs would, naturally, have to be included in the cost, in addition to purchases.) It is interesting, and very useful, to know each month how closely ones purchases are approximating to the normal percentage. This may be done by the provision of a record on the lines shown below:

	PURCHASES.		SALES.		PERCENTAGE	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
Jan.	£7,400		£9,138		80.97	
Feb.	7,759	£15,159	9,300	£18,438	83.43	82.21
Mar.	7,906	23,065	11,278	29,716	70.1	77.61
Apr.	7,856	30,921	11,831	41,547	66.4	74.42

By an analysis of the figures for the first four months of the typical case which we have taken, it will be observed that, the normal percentage of purchases to sales being 75, the purchases for January are too high, since they are 80.97 per cent. of the sales. This adverse tendency is continued in an accentuated degree in February, the purchases being 83.43 of the sales, the percentage for the two months being raised, in consequence, to 82.21.

BUYING TOO HEAVY OR REDUCED GROSS PROFIT.

Now these figures mean one of two things. Either the buying—on the face of it—is too heavy, or the normal rate of gross profit is not being maintained. When these details are put before the executive sometime in March, it is quite possible that, from his knowledge of the business, a perfectly satisfactory solution of the apparently unsatisfactory state of things may immediately occur to him. He may know that there has been "forward" or "seasonal" buying, which the exigencies of his particular business demand, and he may know that during the next month or two matters will right themselves, as, in fact, they did in the case we have under consideration. For it will be seen that in March the percentage fell well below the normal, bringing the cumulative total for the three months to 77.61 per cent. this being still further reduced by the satisfactory buying in April, the percentage for which month dropped to 66.4, bringing the percentage of the cumulative total for the 4 months for the first time below the normal. And this is where it should be the constant endeavour of the buyer to keep it, for the lower it is, other things being equal, the less stock he knows he is carrying, and the more capital there is in the business for working and development. Such figures as these, it will be readily seen, are very valuable, but their value is considerably enhanced if they are compiled, not only in relation to the business as a whole, but departmentally. When such records are available for the respective departments of a business it is possible to narrow down very considerably the issues which have an influence upon them, such as "forward," abnormal, or "seasonal" buying, and to satisfy oneself with much greater precision as to the value of the information which they convey.

INDIFFERENT STOCK-KEEPING.

In a business with many departments, it is necessary to provide always for the possibility of indifferent management in one way or another. I have in mind as I write the case of a department manager I once had who, although a truly estim-

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able man in every other respect, was a very poor stock keeper. It became necessary, in this case, to provide for this deficiency in another direction, as he was too valuable a man, in other ways, to be dispensed with; but the keeping of control on stocks by statistical methods was a very useful corollary to the ordinary routine of the department, and furnished the executive and the buyer with information which was of material assistance to them, and which they could not have had at their disposal apart from the availability of such statistics.

CHECKING OVERSTOCK OF INDIVIDUAL LINES.

It will be recalled that in preparing the sectional trading accounts of certain lines of stock in different departments, it was advocated last month that a quantitative check, as well as a valiative one, should be made. In some businesses it is possible by means of stock cards; or similar methods, to know at any time approximately the stock of any particular product; but there are other trades where many thousands of

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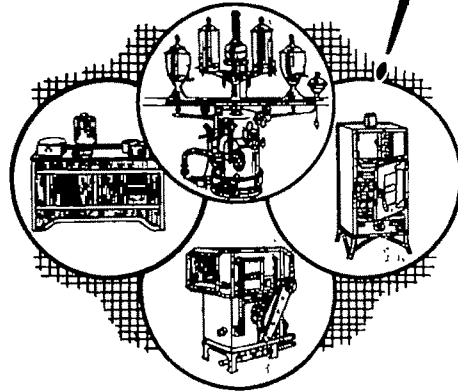
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lines are carried, with almost innumerable differences in sizes and variations in respective lines in connection with which it is impossible to keep stock records on cards, or otherwise by similar means. This is where the quantitative check on stocks, which is furnished in the preparation of the sectional trading accounts comes in useful to the buyer. I will cite a case which came under my direct notice quite recently. Four lines were being checked in a certain department of the business. The opening stock of one of these products was 146, the purchases during the period totalled 124, while the sales for six months were 66, and the closing stock 139. Thus the stock of this commodity was only being turned over rather less than once per annum, or to be exact, 92 times. Another product had opening stock 342, purchases 296, six months' sales 212, and closing stock of 214. This meant that this article was being turned over 1.52 times per year. Now the average stock-turnover for the department was in the neighbourhood of 6 times—sometimes a little more, and sometimes rather less—so that it was quite obvious that these two articles were heavily over-stocked. The corresponding figures for the other two lines were very interesting. One had an opening stock of 92, purchases 745, sales for the six months 399, and closing stock 49, making a stock turnover of 11.09 times. The other, opening stock 532, purchases 25 gross—or 3,600—six months' sales 13¼ gross—or average of 3,816 per annum, with closing stock 426. This means that the stock would be turned over 7.72 times in the year.

A STOCK-TURNOVER OF DOUBLE THE AVERAGE

Now the stock turnover of both these lines was above the average, one of them very nearly double! The logical deduction to be drawn from the results shown by this analysis was that if two lines were only being turned over, in one case not quite once and in the other about 1½ times, while two others were being turned over 7¾ and 11 times respectively, and the average stock-turnover was six times, it would be fairly safe to assume that if the whole of the sluggish lines throughout the business were properly controlled the average might be raised very considerably, especially as it was known that in certain other lines—in connection with which prices were subject to rather violent fluctuations—a fortnight's stock was as much as was ever carried. As a matter of fact this is what really happened in the case under notice. It was found that there were a number of lines showing a stock-turnover of considerably more than six times, and that there were a number of others the stocks of which were far too

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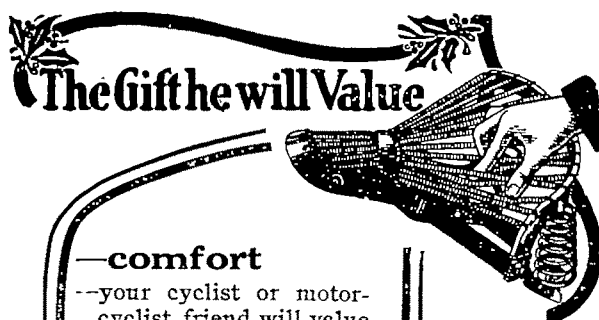
heavy, or the sales of which were not nearly large enough, as was evidenced by two of the four lines, particulars of which are given above

By degrees—and as expeditiously as possible, because it was realised that this over-stocking was a matter of vital concern to the business—the whole of the principal lines in the department were checked in the same way, and the stock-turnover ascertained by calculating what relation the average of the opening and closing stocks bore to the annual sales

STUDYING MARKET CONDITIONS.

Whenever it was found that the stock-turnover in any particular line was low the market conditions in connection with that line were fully and carefully considered. It was perhaps found that it had been considered necessary by the buyer of a certain department to order, say, a great-gross of a particular article, in order to obtain an advantage in price, although the sales of that commodity might not be more than 100 or 150 per month. Sufficient consideration had not always been given as to how the difference in price, if, say, only a month's supply had been purchased instead of the larger quantity, would have actually effected the ultimate gross profit. It had not always been realised what the cumulative effect of tying up capital in this way for twelve months would be upon the purchasing capacity of the business in other directions, or what influence such action would have upon the ability to pay promptly, and to take full advantage of settlement discounts, which, in themselves, often represent a very substantial source of profit. It is not always remembered that 2½ or 5% taken monthly amounts, in the aggregate, to a very useful little sum by the end of the year. Then it was also found that in some of these difficult cases, where large quantities had been bought to secure advantages in price, by judicious negotiation with the manufacturers it was possible, more often than had been done, to book annual, or other period contracts at equally favourable prices in lines the prices of which were not subject to serious fluctuation

The final result of the steps which were taken as a consequence of the information which was furnished by these analyses was that the stock-turnover in the department concerned was raised from 6 to 9 times per annum, and this without sacrificing its efficiency from a selling point of view. This department having been so much improved from the buying side as a consequence of these analyses, the same procedure was adopted right throughout the business with equally gratifying results.



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—your cyclist or motor-cyclist friend will value a "Terry" saddle. It will give miles and miles of comfort, and more riding pleasure. It frees from all saddle discomfort.

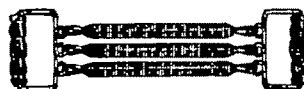
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—10 minutes a day on a "Terry" steelstrand means health, energy and vigor. Specially suitable for children with weakness in the chest—rounded shoulders, etc.

—also for adults—it gives a fine carriage, and is an enemy of indigestion.

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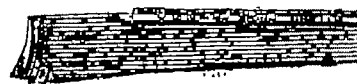


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28 lb. pull ..	16/-	each.
57 lb. " ...	18/-	"
69 lb. " ...	20/-	"

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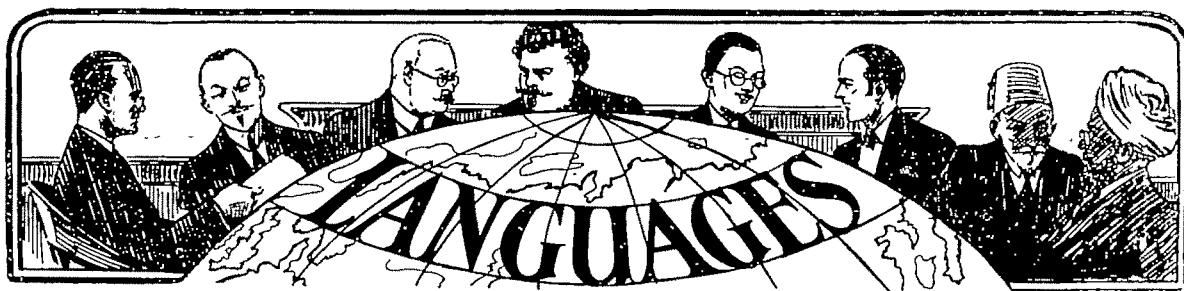
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A "B.O.M." Section to Promote the Study of Languages, for the Improvement
of International Understanding and World Trade

Exclusive to "B.O.M."

By C. W. FRERK,
International Editor, "B.O.M."

IT was of particular interest to us to read the comment on the necessity of language study, which the editor of the "Daily Express" has made recently. In the issue of the 21st of November, he writes.—

THE GIFT OF TONGUES.

"The Englishman who speaks only one language, and expects everybody else to speak it also, is a familiar but not a creditable figure. The command of some other tongue than one's own is worth a hundred times over

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If any study you take up grips your interest and imagination from the start, it's wonderful what strides you make. At least, that is what the thousands of Hugo students have found. They leave the mechanical plodders far behind. Thoroughly interested they assimilate grammar unconsciously as they go along. Remarkably soon, their hobby—for you can't call it work—shows its value as they reap the commercial and intellectual rewards of language mastery.

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the effort spent in securing it. It opens a gate to the mind, the outlook, the literature, of other nationalities. It is a passport to understanding, and as a commercial asset nothing can take its place. It stimulates as nothing else can the life of the intellect and the faculties of comparison and appreciation; it confers upon its possessor the freedom of the universe. The tongue-tied Englishman in a cosmopolitan company makes a poor showing, and is a damper on sociability and intercourse. A very little energy, a mere modicum of self-denial, is all that is needed to acquire that knowledge of a foreign tongue that broadens all mental interests and makes one a citizen of the world."

For those learning at home Hugo's "Self-Tuition" Courses (see opposite panel) provide the only certain way to acquire languages quickly and thoroughly. Some people imagine they can master a

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alone. This is impossible, no matter how the course is arranged. Hugo's new "Two-Voice" Records—the best in existence—are only for students, knowing French, who require extra conversation practice. No records can do more. The "Hugophone" series is offered subject to seven days' free trial. Let actual test convince you that it has no equal.

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for complete set, consisting of 24 conversations on twelve 12 inch double-sided records (electrically recorded by Columbia), including Attaché Case and Manual.

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No elaborate book or educational treatise could demonstrate the necessity, advantages and requirements of language-study more clearly, more comprehensively and poignantly than this short paragraph in one of our most progressive daily newspapers. That this comment should have been made at the present time is significant. It also shows that we were none too early in establishing our Language Section. It is satisfactory to know that we are making special efforts in a field which is of far greater and wider significance than of mere personal or limited individual interest. *It is a question for our nation.*

WHY?

An investigation among importers in foreign countries revealed some very interesting data.

Of catalogues, price lists, and other business promotion matter sent out by British business houses and manufacturers, to secure export orders, it is stated that little more than 25 per cent. are printed in the language of the country to which they are mailed, as against 70 per cent. from Germany. Of the many export travellers sent abroad by British firms, just on 30 per cent. speak the language of the country which they are visiting on business, compared with 84 per cent. from Germany. Of the large numbers of attendants at British Fairs and Exhibitions, less than 10 per cent. have a knowledge of a language beside their own, against 65 per cent. at German Fairs and Exhibitions. And, last but not least, of the thousands of English people visiting the Continent on pleasure and holiday trips, no more than 5 per cent. speak the language of the country of their destination, compared with 55 per cent. from Germany.

How interesting—how illuminating—but also how degrading. Taking the commercial aspect alone, it is evident that volumes of

business must be lost to British industries by the negligence displayed in the language field.

It may be argued the English language is sufficiently widely distributed throughout the world that the knowledge of another language is not an absolute necessity. Agreed—but can you get at the heart and mind of foreign people if you have to talk to them through an interpreter who may or may not convey the correct meaning of what you said, or by gesticulating with your hands and feet and body, twisting and exerting yourself in your efforts to make yourself understood and extract orders from the victims of your acrobatic performance? No, never. Learn their language, and you will see the difference in the reception accorded you, you will notice the frankness and smoothness with which business and other conversations will be concluded, how the basis of friendship is established the moment you address your foreign client in his native tongue. He will take to you, help you, assist you, and care for your welfare, whereas he may hesitate and be prejudiced, and even indifferent, if you address him in a foreign language. Those of our readers who have lived in the East particularly will agree with me on this point.

Whatever your occupation, profession or social standing may be the knowledge of a second language is a decided asset in your life. It is pleasant to be able to speak in more than one language. The entire literature and thought of the other country are open to you. You can read and understand the masterpieces of literature in the original language. You are sure of yourself when travelling, and are not dependent on interpreters or dragomans who, at times, are not reliable, and in some parts inclined to take advantage of your ignorance. You are free from annoyances, such as delays, overcharges and misunderstandings.

The professional man and scientists who are interested in research work, will be able to follow developments and advances of modern science as it is practised in foreign countries, if they learn languages. Their scientific studies will be furthered if they can search foreign scientific papers and publications, and intercourse with foreign scientists.

The business man will be able to widen the scope of his trade by studying the languages of nations who are prospective customers for his goods. The salesman who speaks foreign languages is eagerly sought after, and commands opportunities rarely offered in other spheres of activity.

In our Diplomatic, Consular and Overseas Trade Intelligence Services, opportunities are numerous for young men and women who know languages.

We cannot read with pride what Sir Edwin Pears wrote in his book, "Forty Years in Constantinople," in which he says:

"Our British Embassy had a hard fight to put up against the German Ambassador, von Wangenheim, and his excellently-equipped staff. Our Ambassador, Mallett, had not the slightest idea about Turkish life and conditions. He did not understand a word of Turkish. He had three secretaries, neither of whom could speak the language. Our Embassy was most unfortunately situated before the war . . ."

Does it not make you think and sit back and decide to take up the study of languages at once? The more languages you master, the more you will be worth to yourself, your business, your country, and international community.

*Quot linguas calles,
Tot homines vales.*

"You are worth as many men as you know languages."

WHICH?

As indicated in our introduction last month, we shall, under this heading, give particulars of various languages and their relative values. But we also pointed out how difficult it is to put any one language forward as being more worth learning than another, unless one knows something of the prospective student's intentions, and aims and objects.

In view of this we invite prospective students of languages to enter into correspondence with us, so that they can obtain individual and unbiased advice. The various methods of language instruction, represented by their advertisements in this section, have agreed to co-operate with us very closely on the questions of WHICH and HOW, a fact which greatly enhances the value of the ad-

"THE BEST IN THE WORLD."

Naval Commander's Tribute to New Method of Learning Languages.

"I may say that I learnt Spanish by your method and am convinced that it is the best in the world" (S.M. 188.)

So writes a Commander R.N. regarding the new Pelman method of learning French, Spanish, German and Italian without using English.

This remarkable method is revolutionising the learning of languages throughout the English-speaking world.

Indeed, its success is so great that it is making the old saying that British people "cannot learn foreign languages" sound absolutely ridiculous.

Even people who were never able to "get on with languages" before are now finding that this method enables them to learn a Foreign Language with the greatest facility and within a very short time.

General Sir Aylmer Haldane, G.C.M.G., K.C.B., D.S.O., writes: "The Pelman method is the best way of learning French without a teacher."

Here are a few more examples of the letters now being received from those who have learnt French, Spanish, Italian or German by the Pelman method —

"Your system of teaching French is the acme of perfection." (M. 244.)

"I am delighted with the (Spanish) Course. It is a most ingenious and efficient way of teaching languages." (S.W. 350.)

"I am extremely pleased with the (Italian) Course. I found it of the greatest possible service to me during a recent visit to Italy." (I.T. 127.)

"I have only been learning German for four months, now I can not only read it but also speak it well." (G.M. 148.)

This new method is a direct method. It enables you to learn French in French, German in German, Spanish in Spanish, and Italian in Italian, and without the use of English. Yet it is so simple that even a child can understand it.

There are no vocabularies to be memorised. You learn the words you need by using them, so that they stay in your mind without effort.

Grammatical difficulties are avoided. The task of learning pages of rules and exceptions is eliminated. Yet you learn to speak, read and write the particular language in question quite correctly.

The method is taught by correspondence, so that there are no classes to attend. You learn in your own time and at your own convenience.

The new method of learning French, German, Spanish and Italian is explained in four little books—one for each language—entitled respectively, "How to Learn French," "How to Learn German," "How to Learn Spanish," and "How to Learn Italian."



Write for one of these books to-day. It will be sent you gratis and post free on application to the Pelman Institute Languages Dept., 168, Pelman House, Bloomsbury Street, London, W.C.1. Call or write to-day.

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visory service offered to readers, a service which is completely free of charge, without any obligation whatever, and, on our part, an entirely disinterested one.

The following is an interesting table showing the distribution of various groups of languages, together with the approximate number of persons who speak them, which will help students to get some idea of the relative importance of various languages, which may help them to decide on the one or the other, although it must be emphasised that the number of people speaking any one language is not the only decisive factor.

TEUTONIC GROUP OF LANGUAGES.

English	150 millions, of which in	
Great Britain and Ireland	47	millions
Germany	100 millions, of which in	
German	65	millions
Austria	2	"
Czecho-slovakia	8	"
Hungary	3	"
Switzerland	3	"
Luxemburg	0.3	"
Russia and Finland	2	"
Other European Countries	2	"
America	12	"
Africa, Asia, Australia	0.2	"
Dutch	7.3	"
Swedish	6	"
Danish	4	"
Norwegian	3	"
Flemish	4.2	"

ROMANIC GROUP OF LANGUAGES.

French	50.5	millions
Spanish	53	"
Portuguese	25	"
Italian	38	"
Roumanian	12	"

SLAV GROUP OF LANGUAGES.

Russian	107	millions
Polish, Masurian, etc.	22	"
Bulgarian, Serbian, etc.	15	"
Czech	5	"
Lithuanian	4.3	"

OTHER LANGUAGES.

Turkish	24	millions
Magyar	10	"
Finnish, Estish	8	"
New Greek	6	"

These tables clearly show that English, German, Spanish, French and Italian are the most important languages, in order of extent of distribution, excepting Russian and certain Oriental tongues. We shall, therefore, deal with German, Spanish, French and Italian before others, and commence with German and French in the present issue.

GERMAN.

The German language, spoken by approximately 100 million people inside and outside the German Reich, belongs to the Indo-Germanic group of languages. The new High German,

as it is spoken to-day, is based on the former Middle German, and was established with Martin Luther's translation of the Bible. The German literature to-day is one of the most comprehensive, universal and of the highest standard among national literatures of all countries. German industry and commerce are decisive and most influential factors in international economic life to-day. Germany is not only one of Great Britain's largest suppliers, but also Britain's best and most potential customer in Europe.

Already centuries ago, the German language, alongside the period of brilliancy of the French language as the diplomatic language, and the mighty English language of commerce, has commanded universal importance and influence.

Goethe, in a letter to Carlyle, said of the German language:—

"Whosoever knows the German language will find himself in the market where all nations offer their wares; he is the interpreter who benefits himself."

In view of the fact that Germans learned many languages, and translated the best works of foreign nations into German, foreigners were offered the opportunity of gaining access to the treasures of the world's literature, by acquiring the German language. German is a highly literary and scientific language, and the key to great knowledge and wisdom.

The German technical and scientific press and literature are of greatest interest and value to our British industries and trade; we need more translations, good translations, of these.

Young men of our trades and industries should go out to Germany to study conditions and methods on the spot, because a great deal is to be learned in that respect, in view of the efficiency and thoroughness with which Germans generally tackle technical and scientific problems. They also should study the German market, because for many British products it is one of considerable extent. In all these activities it is essential to know German. Travellers returning from a tour of Central Europe, agree that they are lost without a knowledge of German, whilst, on the other hand, the knowledge of that language is of immense advantage in Germany, and a necessity in the neighbouring countries, such as Austria, Bohemia, Poland, the Baltic States, and a considerable portion of Switzerland. Among the educated classes of the German population you may meet a good number of people speaking English, but it must be realised that the present generation has only school knowledge, as Germans have had



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AS everybody knows, the great difficulty both in studying and teaching French is to get the authentic "feel" and idiom of the language as it is spoken by the French people. For the benefit of those who desire to study this language, M. Stéphan and Professor Jones—two of the world's greatest authorities on languages—have prepared a unique scheme of 15 "His Master's Voice" Records and Text Books that overcomes this difficulty. It shows you how to cultivate a correct French accent, how to master colloquial phrases, and how to achieve fluency—the whole course being based on the most scientific principles of language study.

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The Course Comprises

15 Double-sided Records in strong Album with Text Book and Key Book.

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Text and Key Book (together) 12/6
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none, or very little, opportunity of travelling to England for the purpose of studying the language during and since the war. In the other countries mentioned, English-speaking people are comparatively few.

It follows, then, that German is a language of considerable distribution and influence, and, indeed, the most influential in Central Europe, the key to immense private and business advantages—a language which should be taken up by a far greater number of men and women in this country.

FRENCH.

The French language has always, and particularly since the war, been the favourite of British language students. Apart from sentimental reasons there is, of course, the fact that the French language has for centuries dominated the world spiritually. The French have imposed their language upon other peoples, and have since been too proud or indifferent to learn foreign tongues. Hence it may be that a knowledge of French is much more essential in France than a knowledge of German in Germany, where there is always someone obtainable who knows English.

French originated from the Latin and Celtic languages. Its clarity and flexibility lend themselves to forms of expression of the utmost freshness and distinction. It is the language of diplomats, and serves as means of understanding and communication in international negotiations and conferences, and in the international postal service. As a commercial language French is also of considerable importance. If you trade with France, Belgium, and their respective extensive colonies, a knowledge of French is a necessity hardly to be avoided. In addition, French is the second language of most educated people in the Mediterranean countries and the Near East; it is the commercial language in Turkey, and one of the official languages in Egypt.

French literature has a brilliant history. French science and research are among the most advanced of all nations.

As Britain's ally during the war, and as our closest neighbour across the Channel, France, the French people, French literature and life, as well as French trade and industry, merit closest study and cultivation.

You will derive more pleasure from your visits to France if you know French. The country and its people, their life and customs, can be understood and appreciated only if you know their language. Apart from other advantages, French is a language of great social value. Its knowledge is a mark of education and refinement.

HOW?

~ Back to school . . . it was an interesting experience. But visiting several language instruction institutes during one week, and studying their respective methods and merits left the writer with impressions which require some sorting.

We decided to discuss under this heading the various established methods of language instruction in this country. It will be essential to divide these methods into three definite classes:—

- (1) Oral Tuition.
- (2) Correspondence Tuition.
- (3) Gramophone Tuition.

ORAL TUITION.

Both the Berlitz and the Hugo Institutes of Languages practise oral tuition, on lines which do not differ to a very great extent, and only in certain points, on the advantages or disadvantages of which one may be of divided opinion.

The outstanding feature of the *Berlitz* Method is that from the very first lesson, the native teacher does not use one single word of English. The successive stages in the progress of a Berlitz student are illustrated by the following description of the first section of the course.

FIRST SECTION (First Book).

The student is able to describe pieces of furniture and other objects, stating their colour, dimensions, position in the room. He can compare them, using the verb "to be" in the affirmative and the negative.

He can use a few words of motion so that when taking or handling objects he can say what he is doing.

He can name different articles of clothing and parts of the body. He knows the possessive pronouns and the alphabet, and begins to read and write.

He passes from concrete to abstract (can, will, must, etc.) He can understand the conditional (if), and some subordinate phrases (because).

He uses the verbs to give, say, tell, the dative case, and enumerate the functions of the five senses.

He can speak about flowers, food, drinks, tastes, beauty, ugliness, and can express likes and dislikes.

He knows the division of time, names of the days and months; he can speak of day and night, and the weather.

He knows the past tense and past participle of the principal irregular verbs.

He knows the future tense, and can correctly employ relative pronouns.

He can hold a conversation about members of the family; can accept or decline invitations.

He can ask his way, go to an hotel, engage rooms, order meals.

He can ask for information about monuments, buildings, and can, therefore, already carry on conversation in the foreign country.

He can talk about plants, animals, men. He can enumerate the various senses and sentiments. He can speak of the different faculties of the mind.

The course, as can be seen from this table of stages of progress, is very logically and progressively arranged. During the lesson each student is made to speak and answer questions which are put to him by the teacher or co-students; his answers are carefully checked as to pronunciation and construction. The attentive and serious student will benefit by this method if he drops shyness during the lesson, if he speaks aloud, so that the teacher may supervise all details of his pronunciation and composition.

The *Hugo Institute* instructs orally as well as by correspondence, and in addition has issued a gramophone record course. We will first of all deal with their oral instruction. It differs from the Berlitz method chiefly in one point, which is that the native teachers of the Hugo Institute use, especially in the early stages of the course, the English language for explanations. They contend that an explanation now and again of certain peculiarities in the language the student is learning helps to further the progress of the average student, making him independent in the use of the words he has already learned at an earlier stage.

The Hugo method pays particular attention to making the student acquainted with the chief points of grammar, at an early stage, in order to reduce to a minimum the mental taxation of subconscious absorption of recurring grammatical forms.

Exercises which the student may send in for correction are also of great value to the Hugo student who does not merely work during the actual oral lessons, but devotes additional time at home to the mastery of the matter which has been the subject of his oral tuition. This special service also enables students to gain proficiency in reading and writing, besides the proficiency gained in pronunciation by the oral tuition.

We found Hugo teachers very persistent in their correction of students' pronunciation and composition.

Both the correspondence and the gramophone record courses issued by the Hugo Institute are entirely independent of the oral tuition. We shall discuss their composition and merits in our next issue.

CORRESPONDENCE TUITION.

An interview with the Director of Languages at the *Pelman Institute* was of particular interest to the writer, who had doubts as to the possible check on the pronunciation and the progress of students studying a language by correspondence.

The Pelman books are written entirely in the foreign language. Step by step new words are introduced, and the sentences made longer. No more than one new word is introduced at a time in any sentence, and each new idea is treated so thoroughly from various angles and in various forms and compositions that the student will almost automatically absorb the meaning and value of the matter treated, at the same time enabling him to use the material at will. The meanings of common nouns are pictorially suggested, a happy combination of instruction.

Each lesson is a self-contained unit, and with these units the course is built up. At the end of every fifth lesson a work-sheet, compiled on similar lines to the exercises, is completed by the student, for submission to the director of studies. This is carefully corrected and annotated by a highly-skilled staff, and returned within a few days.

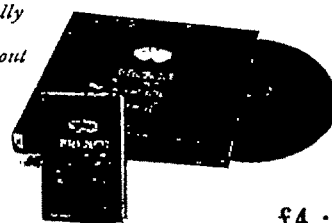
These work-sheets are indeed unique in correspondence instruction; they are compiled to make the student work independently in the language he studies. We consider them the chief asset of the course, which should be invaluable to students who have no opportunity of taking oral tuition.

Widen the scope of your business

Seek out the virgin ground abroad. Big business awaits every firm efficiently equipped to deal with Continental enquiries. The surest and most economical aid to foreign correspondence is the Foylophone French Course. Buy a set yourself, equip members of your Staff, and avoid costly and time-wasting translations. *A knowledge of French makes the whole of Europe your Sales territory.*

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GRAMOPHONE COURSES.

Gramophone Courses in French are issued by the Hugo Institute, Foylophone, the H.M. Gramophone Co., and the Linguaphone Institute. In this issue we will deal with the Foylophone Course of French.

The Foylophone Course of French has struck us as being exceptionally efficient. A demonstration proved one very essential point in gramophone instruction, namely, that of the speakers realising that their talks to the recording machine were ultimately meant for instruction by gramophone. Professor Brandin, Professor of French at the University of London, and his colleagues, who have co-operated in producing the Foylophone Course have realised this to the fullest extent; their presentation of the conversations forming the course is most excellent. As electrical recording has been employed throughout, the reproduction of French speech is yet the clearest and most perfect we have heard.

A feature of special interest in connection with the Foylophone Course is that the first record starts with French pronunciation pure and simple. The speaker repeatedly pronounces vowels and consonants in their various values, together with words in which the sounds occur. Sentences are not introduced until the third lesson.

The text-book is a decided asset to the Foylophone Course; it could not be more comprehensive. The introduction of phonetic symbols of pronunciation and free English translations of the conversations on opposite pages, together with an appendix of the elements of French Grammar make this text-book a valuable course in itself.

After having reviewed the principal features of the various methods we have had an opportunity to inspect, we shall, in future issues, proceed to show, by means of actual specimen lessons, how the various methods deal with the many problems of instruction and progress of students.

ANSWERS TO CORRESPONDENTS.

H K.—The terms "Market Research" or "Market Analysis" are expressed by French advertising men as follows—"Etude économique du Marché," "Analyse du marché," "Enquête sur le marché," "Etude préalable du marché."

C E.—The dedication of a book to a German friend could be worded as follows—"In Freundschaft gewidmet von Ihrem C.E."

L T.—You should learn Portuguese. It is *the* language in Brazil, and cannot possibly be replaced by Spanish.

F R.—Good Esperanto Dictionaries are Fulcher and Long, "English-Esperanto", and Millidge, "Esperanto-English." They are both obtainable from the British Esperanto Association, 142 High Holborn, W.C. 1.

Enquiries for Goods and Agencies.

(Continued from page 177)

(b) British Firms seeking Foreign Connections.

- (483) Leather and Fancy Goods.—Manufacturers' agent seeks to represent German and Czech-Slovakian houses.
- (484) Photographic Goods.—Manufacturer is anxious to enter into contact with importers in British Guiana, Central and South America.
- (485) Letter Trays.—London shippers urgently require offers from Germany, Austria, and Czech-Slovakia, for letter trays in sets of 4 sizes, boxed separately, in oak and stained mahogany.
- (486) Printing Equipment.—London firm wishes to export to Chile and other South American markets and solicits enquiries from importers of printing equipment.
- (487) Textiles.—London manufacturers' agent wishes to represent German and Czech manufacturers of cotton blankets, ladies' and children's underclothing, knitted wear, etc.
- (488) Leather and Leather Sports Goods.—Manufacturers seek connection with importers.
- (489) Patent Collars.—Manufacturers seek connection with importers in all countries; enquiries solicited from importers specialising in men's wear.
- (490) Engineering Works.—An Engineering Sales Organiser who has travelled practically every overseas market, is well acquainted with foreign and overseas marketing methods and marketing conditions, proposes to tour the South American markets very shortly, and offers his services as sales organiser to engineering firms making goods suitable for South America. An excellent opportunity for British manufacturers to extend their South American business.

(c) Foreign Manufacturers seeking Agents in Great Britain.

- (491) Stationery.—Dutch manufacturers seek connection with stationery agents and wholesalers in U.K.
- (492) Electro-Medical Supplies.—Munich firm wishes to be represented.
- (493) Artificial Jewellery.—German house seeks agents.
- (494) Writing Utensils, Stationery.—Austrian firm is open to appoint representatives.
- (495) Wireless Goods.—German house seeks connections with active agents.
- (496) Chemicals.—Berlin works solicit enquiries from importers.
- (497) Metal Goods.—Berlin firm seeks agents in U.K. and Dominions.
- (498) Enamel Plates.—Breslau works seek agents for enamel plates, elec. indoor and outdoor signs.
- (499) Twist Drills.—German manufacturer seeks agents in Sheffield, Birmingham, Glasgow, Edinburgh, Liverpool, Manchester, Southampton, Dublin, and Dundee.
- (500) Glass, Glass Instruments, Glass-making Machinery.—Very important German works are open to appoint reliable commission agents throughout the U.K.



A service of practical value to Manufacturers and Exporters seeking new Markets, and to Importers desiring to handle new lines, with Market Surveys See Editorial Notices on page 130.

Specially written for "B O M."

By C. W. FRERK,

Delegate, International Economic Society

WITH the New Year but a few weeks ahead, we consider it important to give a brief résumé of our plans which we propose to carry through in this section during 1928.

Let it be said right away that it will be one of our chief objects to give the affirmative answer to a question which is so frequently put by British manufacturers, namely, "IS EXPORT WORTH WHILE?"

THE DICTATION OF CIRCUMSTANCES.

Beginning with the April issue of this year, we have published every month a comprehensive general market survey of one potential market for British goods. Although these surveys—in particular those to which we supplied a statistical supplement—were greatly appreciated by a large number of our readers, we found that they encroached considerably upon the space at our disposal, and left little space for the treatment of a number of markets from which we received regular reports and information of great significance to our British exporting industries. On the other hand, our experience in the relations with the readers and users of our International Service has shown us that the majority of them prefer to receive a greater number of "hot" marketing hints and enquiries for British goods from a greater number of different markets than one lengthy survey of one market in which they may not be particularly interested at the moment. We quite agree, although we must emphasise what we have pointed out in practically every issue of our magazine, namely, that a progressive exporter should cultivate each market individually, making himself fully acquainted with every economic aspect of that market, and procuring and studying as exhaustive information as can be obtained.

AN "INTERNATIONAL COMPLICATION."

If it were not for the limitations put to the editor by the two covers of the magazine, we should not hesitate to publish both the comprehensive surveys, including statistical supplements, about one market at a time, and the topical news items about a number of markets, with at least twice as many enquiries for goods and agencies. Unfortunately, this would lead to a serious scrap between the editor-in-chief and the international editor, who would attempt to "steal" an additional few pages from other sections of the magazine. In order to avoid such "international complications" in our own offices, we had to find a way out, and we think that the following editorial programme for the International Service Section during 1928 is quite a happy solution of the problem.

The monthly market surveys will be retained, although in a somewhat different form. Instead of writing a lengthy treatise of one market only, we shall publish condensed surveys of several, probably four, markets in one issue, on the lines of our "Compact Facts about Denmark" in the present issue, but comprehensive, inasmuch as all additional statistical data about area, population, finance, banking, occupations, cost of living, price indexes, communications and transport, shipping and foreign trade, industries, sales distribution, exhibitions, advertising, etc., will be included in a concentrated form.

A MARCH ON TIME.

This will enable us to complete the circle of foreign and overseas markets in a much shorter period, and resume at an early date the survey of markets already discussed this year, giving the latest data and illustrating changes that have taken place since. It will also give us space for a greater variety of

topical news and marketing hints, reports on actual sales opportunities and latest enquiries for goods and agencies, in a greater number of markets in one issue.

WEALTH OF DATA.

The lack of the descriptive and advisory matter which composed the length of our present style of surveys, will be made up by a continuation of our series of articles on "EXPORT MARKETING PROBLEMS—HOW TO SOLVE THEM BY MARKET RESEARCH," and by regular articles, as well as illustrated reports, and paragraphs advising on the marketing and sales organisation methods as they should be adopted for each individual country, together with paragraphs on the latest economic and industrial developments, customs, transport, legal aspects, travellers' requirements and other regulations, all of which will be the latest information at hand, so that, in conjunction with the condensed surveys, our readers will always be up to date in their information on the various markets.

As already mentioned, the lengthy explanatory and advisory matter of our present style of surveys will be replaced by a series of articles on export market research, which are to show how the data given in the condensed surveys can be converted to practical use, how statistical and other data can form a basis for successful export sales planning.

The number of International Marketing Hints and Enquiries will be increased, and the entire complex of services rendered in connection with this section of our magazine will be extended.

AN AMBITIOUS PROJECT.

We are making arrangements with thousands of importers in every country of the world to form an International B.O.M. Circle of Importers and Exporters of British Goods. This will enable us to be definitely instrumental in furthering the sale of British goods in foreign and overseas markets. Special service forms, introduction seals, and a register of status enquiries, together with a classified index of importers and exporters, will facilitate the relations between buyer and seller, with the advisory and market research services of B.O.M. as counsel in all marketing problems.

British manufacturers and exporters will be taken in our classified index, and their requirements and special wishes will be communicated by special service forms to firms in the same section of the classification of trades in the index of importers, so that there will be a continuous contact between manufacturers seeking overseas connections and importers seeking British goods or agencies.

"BUSINESS ORGANISATION."

Our records of sales opportunities, market conditions, import regulations, and other data of foreign markets, will be classified by trades and industries, as well as by markets, so that manufacturers can have individual reports prepared promptly for their own particular product, a service which will enable manufacturers to adjust themselves quickly to the requirements and actual conditions in the markets which they wish to enter.

Special tables will be published monthly, showing for which British goods there is actual demand, and where.

Fortnightly conferences will be held at our offices, when export marketing problems will be discussed, followed by debates, when manufacturers can have their individual queries solved.

WATCH JANUARY ISSUE.

There will be many other services besides those mentioned above. A complete list and programme will be published in our January issue, and our ultimate aim and object will be to establish a definite co-operative circle of producers and distributors of British goods throughout the world.

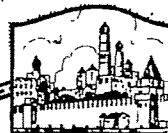
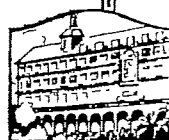
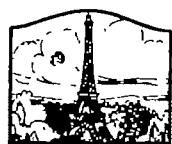
It is an object worth every effort, and, we think, also unique in the annals of British business journalism, and the co-operation of every B.O.M. reader will be the realisation of this object.

THE BRITISH TRADE PROTECTION ASSOCIATION, 185, Whitehall Road, BRISTOL

are prepared to undertake, at home or abroad, the collection of bad and doubtful debts; to supply all kinds of commercial and credit information; furnish market reports; register trade marks, etc., on reasonable terms.

Firms in all parts of the country have repeatedly proved the efficiency of the services of this Association and inquiries are invited from all who are looking for a prompt and reliable service.

Special Service for
FOREIGN AND COLONIAL FIRMS.



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Monthly

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AT HOME AND ABROAD.

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Practical Conversational Lessons
IN
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IN VARIOUS FOREIGN LANGUAGES.

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with Foreign Languages, Art, Travel, etc.

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SPRING FAIR, 1927.

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ENQUIRIES FOR GOODS AND AGENCIES.

The Enquiries listed below represent actual requests received for the goods mentioned. They are genuine openings for more business to those who manufacture or market what is required. We will tell you, upon enquiry from you, exactly how to get in touch with these potential customers; how to ship; how to arrange payment and all other necessary information. If you are a subscriber the service is free, if not, the list of names and addresses costs you 2/6.

Your own offers of goods or services may be inserted on this page free of charge. Send for our Service Form.

(a) Foreign Importers or Agents seeking British Goods or Agencies.

- (441) **France.**—Anxious to represent manufacturers of wood-working machinery.
- (442) **Poland.**—Warsaw firm seeks representation of textile machinery works for Poland.
- (443) **Poland.**—Warsaw firm wishes to represent firm supplying technical fats and greases.
- (444) **Dutch Guiana.**—Seeking agency with consignment stocks, of electrical apparatus, motors, installation material, wires, wire netting, plantation material. Prices F.O.B.
- (445) **Turkey.**—Hardware and ironmongery wanted. Correspondence French.
- (446) **Palestine.**—Wish to represent manufacturers of cutlery and steel ware.
- (447) **Canary Isles.**—Hardware and ironmongery wanted.
- (448) **French Morocco.**—Khenitra importers wish to represent agricultural machinery and implement makers.
- (449) **Holland.**—Harlem firm seeks connection with manufacturers of sanitary equipment and fittings.
- (450) **Brazil.**—Printing machinery and printing material required.
- (451) **Roumania.**—Engineering firm in Bukharest solicits offers for machinery and apparatus for the textile industry.
- (452) **Australia.**—Connections wanted with manufacturers of wood-working machinery, tool-making machines, motors, agricultural machinery.
- (453) **China.**—Sewing machines wanted. Payment on 30 and 60 days' sight drafts.
- (454) **South Africa.**—Wood-working and tool-making machinery required. Payment made through London shippers.
- (455) **Persia.**—Tools and agricultural machinery wanted; agencies taken over.
- (456) **British India.**—Offers wanted C.I.F. Bombay for hurricane lanterns.
- (457) **Cyprus.**—Ironmongery and general hardware, tools, etc. wanted for Cyprus. Payment against 30 days' sight draft.
- (458) **East Africa.**—Solicit offers for iron hoops, hessian studs, washers for gin rollers, canvas tarpaulins, iron sheets, hose, cotton bags and sacks, bedding. Payment against 30 and 60 days' sight drafts, through the National Bank of India, Ltd.
- (459) **Japan.**—Enquire for iron and steel tubing and piping, railway construction material, nails, iron sheets.
- (460) **Czecho-Slovakia.**—Seek connection with manufacturers of electric lighting reflectors.
- (461) **Hungary.**—Seek to represent makers of electro-technical novelties.
- (462) **Venezuela.**—Caracas firm solicits offers for electro-technical material and fittings.
- (463) **Persian Gulf.**—Offers wanted for cement. Payment made through the Eastern Bank, Bahrain.
- (464) **North Africa.**—Require drugs and pharmaceutical specialities.
- (465) **Porto Rico.**—Solicit offers for laboratory equipment and instruments.
- (466) **Hungary.**—Budapest firm is open to represent manufacturers of surgical, medical and pharmaceutical products; also cosmetics.
- (467) **Greece.**—Require connection with manufacturers of office equipment and stationery.
- (468) **Holland.**—Wish to represent manufacturers of drawing utensils.
- (469) **Latvia.**—Open to represent manufacturers of office machines, general office appliances and stationery lines.
- (470) **Dominican Republic.**—For the D.R. and the West Indies well-organised firm of importers seek agency for portable typewriters.
- (471) **Australia.**—Melbourne firm solicits offers in cotton and woollen goods.
- (472) **India.**—Karachi firm solicits offers in hosiery, ladies' and gents' underwear of cotton and wool; furthermore velvets, plush, shawls, handkerchiefs.
- (473) **Cyprus.**—Enquire for hosiery, artificial silk knitted wear, plush, woollen yarns, black and blue serge, cotton and woollen goods, etc.
- (475) **Greece.**—Wish to represent manufacturers of photographic articles.
- (476) **Palestine.**—Open to represent manufacturers of leather goods and fancy goods.
- (477) **Mesopotamia and Syria.**—Leather goods wanted.
- (478) **Italy.**—Stainless cutlery wanted.
- (479) **Syria.**—Wish to import aluminium and enamel ware and all other household goods.
- (480) **India.**—Seek connection with manufacturers of goods suitable for India.
- (481) **Holland.**—Dutch engineering representative seeks further connections with British engineering houses and metal works.
- (482) **Holland.**—Important Rotterdam house wishes to import articles used in ship-building and engineering works and by contractors; also interested in tin plates for condensed milk factories; steam winches and other auxiliary machinery; agencies wanted.

(Continued on page 172)

ARE YOU GOING TO LEIPZIG ?

The Leipzig Spring Fair, March 4th—10th, 1928, will be the most important international Exhibition of the year. B.O.M. is making special arrangements with Leipzig Fair Authorities, in connection with the British Section, which will be of far-reaching influence.

PREPARATIONS for the Leipzig Spring Fair, 1928, have set in earlier than usual.

The Spring Fair is already the bigger and more important of the two annual exhibitions, but 1928 will be of special importance to British industries, inasmuch as special efforts are being made to make the British Section at the Leipzig Fair the most comprehensive and most interesting of all foreign sections.

Not only has the space in the British Section proper, in the Ring-Messhaus, been considerably increased, and the accommodation there greatly improved, but British exhibitors are now also admitted to many of the special Fair Buildings, in which the products of individual industries are exhibited. This is of far-reaching importance. It is evidence of the fair spirit of tolerance of international competition among German manufacturers—it is a lesson that should be learned by the organisers of some of our own Fairs and Exhibitions at home.

Indeed, it is this spirit of tolerance that has made the Leipzig Fair what it is to-day; its universal as well as international character are its chief assets, and whatever the number of new Fairs and Exhibitions may be, by virtue of its special character, Leipzig will forever retain its iron stronghold as the *only International Exchange of Merchandise and Service*.

The time is most opportune for British manufacturers to study the question of exhibiting at Leipzig. Europe is settling down to sound business, deflated currencies have been stabilised, social and political unrest is being subdued. The way is clear for business, and Great Britain has to consider seriously her co-operation and participation in European business.

There are thousands of buyers coming to Leipzig every year, from all quarters of the globe, buyers who will not only look for German and other Continental products, but who will also expect to find British goods. They go to Leipzig because it saves them travelling from country to country; the Leipzig Fair is the shop-window of all nations; there the buyer can inspect and compare the goods from almost every industrial country. They have an opportunity as is offered by no other Fair and Exhibition, to buy the goods they require from the makers of all nations.

Great Britain can secure her share. The world still needs cutlery from Sheffield,

machinery from Birmingham, textiles and textile machinery from Bradford and Manchester.

Much has already been done. The resources of the Empire have been explored, and new and fruitful channels of commerce have been opened up. Imperial trade has been given a fillip that it will no doubt increase rapidly. The Government are making efforts to help the British merchant sell his goods, the British Industries Fair, and the many Trades Exhibitions are all evidence of the strenuous endeavours being made to woo prosperity. But we have left undone things which we ought to have done. We have neglected the markets at our door-steps.

Too prone to sit and await the arrival of customers we have too often neglected even to go half-way to meet them. There are markets untouched by us, markets in which there is a certain demand for British goods.

THOSE WHO HAVE BEEN AT LEIPZIG BEFORE.

Just over 50 British firms exhibited at Leipzig during 1927. Their reports and views on the Leipzig Fair are most illuminating. They are satisfied with the business they obtained, they realised that the Leipzig Fair is a universal and international Exhibition in the truest sense of the words. They met buyers not only from Germany and neighbouring countries, but also from the Near and Far East, North, South and Central America, in fact, from every country of the globe.

Here are the names of some of the British firms who exhibited at Leipzig this year:—

The American Information Bureau
The Advertiser's Weekly.
F. J. Bhungara.
British Daily Newspapers.
H. Bronnley & Co., Ltd.
Callender's Cable & Construction Co., Ltd.
The Come To Britain Movement.
Thos. Gook & Son, Ltd.
N. Corah & Sons
Cussons, Sons & Co., Ltd.
Concrete Equipment Co
Davies & Co., Ltd.
Dean & Dawson, Ltd.
Dunlop Rubber Co.
Fry's (London), Ltd.
Hazell & Co.
BUSINESS ORGANISATION, LIMITED
Horrockses, Crewdson & Co., Ltd.
Indian Government.
C. A. Jardine.
Jekmoth Home Store Garment Storage,
Linkhouse Publications.

Lang Pen Co., Ltd.
 London Midland & Scottish Railway.
 London & North Eastern Railway.
 Maccall, Orr & Sons, Ltd.
 Mentmore Manufacturing Co., Ltd.
 Missouri Pacific Line.
 Moodie & Wilson
 Neutron (1927), Ltd.
 The Periodical Trade Press Association.
 Previte Trinidad Asphalt Co.
 Quixie Co., Ltd.
 H. Robinson & Co., Ltd.
 Rubber Growers' Association, Inc.
 Rose Bros. (Gainsborough), Ltd.
 S.A.S., Limited
 Scottish Trade Courier.
 S. E. Smith.
 Slazengers, Limited.
 Southern Railway.
 Scottish Commercial Bureau
 Trade and Technical Journals Bureau.
 Whitbys, Ltd.
 Western Mail.
 Zephyr Tennis Racquet Press Co., Ltd
 Adams, Montgomery & Co., Ltd.
 Walter Briggs, Ltd.
 Associated Scottish Newspapers, Ltd.

Many others exhibited through their German agents.

The demand for British goods is a steady and growing one, especially for textiles, suitings, textile machinery, machine tools, solid leather goods and sports goods, toys, and all kinds of articles of luxury. This fact was abundantly demonstrated at the recent Autumn Fair when more than 150,000 buyers inspected the exhibits of 10,000 manufacturers. The numbers of exhibitors and visitors is always greater by at least 50 per cent. at the Spring Fair, when especially overseas buyers, who come to Europe but once a year, arrive in particularly strong numbers.

British goods can be sold at Leipzig if we only take advantage of the opportunities.

The British textile and textile machinery industries have exceptionally good prospects of business at the forthcoming Spring Fair at Leipzig.

Negotiations are in progress between the General Trading and Finance, Ltd., of London, and the German textile industry for the supply of British textile machinery to the extent of several million pounds sterling.

The German textile industry is extremely anxious to re-equip its works on modern lines, with spindles and weaving chairs for the cotton industry, as well as machinery for the wool, silk and artificial silk working industries. Oldham and Manchester firms should be interested in these negotiations, and should not fail to be represented at the forthcoming Leipzig Spring Fair, when good business is almost sure to come their way. It is expected that the number of visitors to the

Leipzig Textile and Textile Machinery Exhibition will exceed all previous figures, and German circles have intimated that they expect to see a representative British section.

The same applies to British yarns, woollens and other textile articles, for which the demand has been increasing on the Continent for some considerable time. Business with the Near East has developed satisfactorily, and it is these countries in which there is good business available for British textile goods; their buyers go to Leipzig in spring. One of this year's British exhibitors, a well-known Bradford firm, writes:—

"We are satisfied indeed with the results of our showing at the Fair, as we have received some fairly good orders while showing there, and have since received further repeat orders, thus proving how publicity work of this sort usually pays.

"At Leipzig we found a *great preference for English cloth*, and that it is so is more than proved by the fact that they bought it in face of a Protective Tariff. Customers came from several countries, and our sales were by no means confined to Germany only.

"We were very surprised to find that there were no other cloth firms, either manufacturers or merchants, exhibiting from this country, and this to our mind shows a very poor spirit, in view of the real need for business expansion here in the West Riding. As a matter of fact, we are of the opinion that it would have helped us considerably at the Fair had there been a few competitors from Yorkshire. It would have drawn more buyers, and the competition would have been beneficial to us."

The cost of exhibiting at Leipzig is comparatively small, and the service offered by the Fair Management increasingly efficient.

One manufacturer of British tennis racquets booked his first order for £200 the moment the last Autumn Fair opened. Sports goods have a most excellent chance of big sales in Germany because of the increasing development of sports and athletics, as well as the weekend habit in that country.

MANY MORE BRITISH EXHIBITORS WANTED.

Although greater than last year, the number of British Exhibitors at Leipzig was still too low to be representative of British industry and British enterprise. There were only three exhibitors in the textile section, and they had booked all the orders they could undertake for some months.

There was a great demand for Scotch tweeds, Scotch travelling rugs, English serge, and English textiles generally, and it was pointed out that there was no competition in Germany in most of these lines, as they could not be manufactured successfully in Germany.

It is also the present shortage of working capital among German manufacturers which offers the British manufacturer his chance.

"B.O.M." ESTABLISHES BRITISH INFORMATION BUREAU AT LEIPZIG.

Mr. G. H. Morison, who visited the last Autumn Fair as special correspondent of "The Financial Times," pointed out in his report that:

"... if a systematic exhibition policy were pursued much profitable business could be done in selling British goods in Central Europe. British manufacturers should be organised. While they would individually place their samples among those of their German competitors in the sections specially provided for them, there should be also a *Central Inquiry bureau to which any buyer might go wanting British goods of any special kind*

"Such a bureau should be placed in charge of an expert speaking both English and German, and knowing the Continent intimately"

The value of this suggestion needs no special comment. **THERE WILL BE THE FIRST BRITISH INQUIRY BUREAU AT THE FORTHCOMING LEIPZIG SPRING FAIR, 1928.**

The publishers of this magazine have taken a Stand in the Ring-Messhaus, which will serve as the Inquiry Bureau in the British Section. The expert who speaks English, German, as well as a number of other languages, and who knows the Continent exceedingly well, will be there.

We are anxious that the number of British exhibitors should be at least double of what it has been this year, and we invite all exhibitors and prospective exhibitors to communicate with us, giving us full details of their participation or contemplated participation so that the "B.O.M." LEIPZIG INQUIRY BUREAU will be fully equipped to render the services useful to British exporting industries.

British manufacturers who are interested in the Continental markets but who cannot see their way clear to exhibit at Leipzig should also send in particulars of their special wishes so that inquiries can be gathered at Leipzig by our Service Bureau and communicated to those manufacturers.

A SPECIAL "B.O.M." LEIPZIG FAIR ISSUE.

British industries need propaganda abroad. The British participation in European business, the British section at Leipzig must be widely advertised.

Realising this necessity and the need for organised British propaganda methods, we have just concluded a special arrangement with the London office of the Leipzig Fair, according to which

THE FEBRUARY, 1928, ISSUE OF THE "BUSINESS ORGANISATION MAGAZINE" WILL BE THE BRITISH GUIDE AND CATALOGUE OF THE BRITISH SECTION

The following is the editorial programme of this special and outstanding issue:—

THE HISTORY OF THE LEIPZIG FAIR.

Leipzig Fair: Organisation, Management and Propaganda.

(a) at home; (b) abroad.

Survey of Industries and Trades represented at Leipzig.

Leipzig Fair Statistics.

(a) Exhibitors, by Countries and Trades, 1913, 1926, 1927.

(b) Visitors, by Countries, 1913, 1926, 1927.

(c) Business done (by Trades), 1913, 1926, 1927.

(d) Comparison with other Fairs and Exhibitions.

British Participation.

(a) Exhibitors. (b) Visitors.

THE SPRING FAIR 1928:

New Arrangements and Opportunities.

Situation of British Exhibitors' Stands.

Plan of Leipzig Fair Buildings.

WHO IS WHO AMONG BRITISH EXHIBITORS.

Descriptions of British Exhibits.

THE CITY OF LEIPZIG.

Seeing the Sights.

Programme of Amusements and Events during Fair Week.

Fair Management Services at Leipzig.

S.A.S. Services at Leipzig.

B.O.M. Enquiry and Information Bureau.

HOW TO GET TO LEIPZIG.

When to go.

By which Routes.

At what Cost.

How to find Accommodation.

The British Meeting-place.

Time-tables.

THE ECONOMIC SITUATION IN GERMANY

Market Survey.

Selling British Goods in Germany.

Advertising British Goods in Germany.

Getting Ready for Leipzig

The London Office of the Leipzig Fair.

What "B.O.M." can do for those who go to Leipzig.

This comprehensive programme indicates that the visitor to Leipzig will be spared the inconvenience of carrying a bulky parcel of all sorts of guide-books, catalogues, programmes, time-tables, etc. From the moment

(Continued on page 192)

THE KINGDOM OF DENMARK.

An Exclusive "B.O.M." Market Survey.

By C. W. FRERK.

FOR THE PROMOTION OF INCREASED ANGLO-DANISH CONCORD.

COMPACT FACTS ABOUT DENMARK.—**Area:** 42,924 square km., of which 612 sq. km. water area. **Geographical Situation:** Between 54° 33' 31" and 57° 44' 55" Northern Latitude, and between 15° 11' 59" and 8° 4' 36" Eastern Longitude (Greenwich). **Frontiers:** In the North and West the North Sea, in the East the Baltic, and in the South Germany and the Baltic. **Islands:** 525 islands in the waters between Jutland and Sweden, covering an area of 13,000 sq. km.; Zealand 7,042 sq. km.; Funen 2,986 sq. km.; Lolland 1,245 sq. km.; Bornholm 587 sq. km.; Falster 514 sq. km.; Moen 217 sq. km. **Climate:** Coast climate; mean temperature between 7 and 8 degrees centigrade; mild winter, average annual rainfall 600 mm. **Population:** 3,435,000. **Density per sq. km.:** Average 80. Jutland only 53. **Urban Population:** 1,942,000 or 56.5 per cent. **Rural Population:** 1,493,000 or 43.5 per cent. **Constitution:** Kingdom, hereditary monarchy. Parliament (Rigsdag) with two Houses (Folketing and Landsting). **Important Cities:** Copenhagen, Aalborg, Aarhus, Esbjerg, Odense. **Monetary Unit:** Danish Kroner (Gold) of 100 ore; at par Kr. 18.16 to the Pound; average November 1927: 18.17. **Agriculture:** Wheat, Rye, Barley, Potatoes, etc. **Dairying:** Fishing. **Industry:** Metal goods, machinery, textiles, ceramics, ship-building, engines, motors. **Foreign Trade:** Imports: Foodstuffs, metals, metal goods, coal, produce, timber and wooden goods, from: 1. Germany, 2. Great Britain, 3. U.S.A., 4. Sweden, 5. South and Central America, 6. Holland. Exports: Foodstuffs, butter, eggs, meat, animals, ships, hides, skins, corn, wheat, to: 1. Great Britain, 2. Sweden, 3. Germany, 4. Norway, 5. Belgium, 6. France, 7. Holland.

DENMARK is made up of two main parts: (1) the peninsular of Jutland, which is attached to the Continent of Europe, bordering on Germany in the South, and (2) the islands in the waters between Jutland and Sweden, the biggest of which is Zealand.

AREA AND POPULATION.

Of the area of the country, lakes and ponds cover about 536 square kilometres, and waterways about 76 square kilometres, so that the land area proper covers about 42,300 square kilometres, distributed as follows:

	The Islands Sq. km.	Jutland Sq. km.	Total Sq. km.
Soil under cultivation	10,993	22,034	33,027
Forests and Plantations	1,330	2,335	3,674
Bogs	130	432	562
Heaths and heather hills	73	3,230	3,312
Driftlands and dunes	51	348	399
Roads, occupied sites, etc.	531	807	1,338
Total land area	13,117	29,195	42,312
Water areas	253	359	612
TOTAL	13,370	29,554	42,924

The soil under cultivation and the forest areas cover about 94% on the islands, and about 83% in Jutland.

The forest areas are being greatly extended by beech plantations, which have formed the basis for an ever developing wood industry.

Compared with agriculture other resources (natural) of the country are only of subordinate importance. Productive forest areas are situated chiefly in the middle and west of Jutland, where the beech is the most common tree.

Denmark is deficient in minerals; neither coal nor metals can be profitably mined anywhere, so that with the growing development of industries in Denmark, the country becomes an ever more important buyer of raw iron, steel and coal from Great Britain.

Common chalk, however, is found throughout the country in great quantities, it is used extensively in the Danish cement industry.

It is the coast line, the extensive waters surrounding the country which set their mark upon

life in Denmark in another manner. Coastal shipping is the most important link between the people, and several excellent ports have been established, although the North Sea Coast is difficult to approach, where the need of shipping and fishing is very great.

The population of Denmark is very homogeneous throughout, with exception perhaps of the Southern part of Jutland, bordering on Germany, where naturally the German element has some influence.

The country is comparatively well populated, considering its area and general structure. With a total population of roughly $3\frac{1}{2}$ millions, the average density amounts to 80 per square kilometre; the density varies, of course, and is greater in the islands than in Jutland.

DISTRIBUTION OF POPULATION.

The rapidly increasing population (an increase of 151,825 is recorded between 1921 and 1925) is very unevenly distributed. It is a peculiar aspect of Denmark that almost one-quarter of the total population lives in the capital Copenhagen, a city and port of some magnitude which has greatly developed on commercial and industrial lines during recent years.

1,942,000 persons or 56.5 per cent. of the total population live in towns.

In the Capital	731,496
In 85 provincial towns	750,801
In 85 suburbs	118,413
In 500 urban localities	340,805
In rural districts proper	1,493,040
TOTAL	3,434,555

The distribution of provincial towns according to population lends itself also to valuable conclusions in marketing efforts:

Provincial towns with more than 20,000 pop.	7	272,997
do. do do 10 to 20,000	16	215,567
do. do do 7 to 10,000	10	88,887
do. do do 5 to 7,000	12	69,898
do. do do 3 to 5,000	12	49,362
do. do do 2 to 3,000	14	34,730
do. do under 2,000 population	14	19,360
TOTAL	85	750,801

This table shows clearly that the majority of provincial towns are very small.

The following are some of the more important cities with their respective population figures:

Odense in Funen	52,376
Aalborg in N. Jutland	42,819
Aarhus in E. Jutland	76,226
Horsens in E. Jutland	28,135
Randers in E. Jutland	26,857
Fredericia in E. Jutland	18,454
Esbjerg in W. Jutland	24,131
Viborg in W. Jutland	15,357

Not many years ago the rural and agricultural population represented about 75 per cent. of the total population. However, development of industries and commerce in Denmark have attracted people to the cities, with the result that the urban population is to-day greater than the rural. This is of greatest importance to the foreign manufacturer who may have been under the impression that Denmark is a chiefly agricultural country. It was, but is no longer. The extensive use of machinery in agriculture and dairying has effected great changes.

DISTRIBUTION OF POPULATION BY OCCUPATIONS.

Agriculture and forestry	1,037,000
Fisheries	40,000
Handicraft and industries	942,000
Commerce and finance	322,000
Traffic and commission business	221,000
Administration, art and science	184,000
Domestic service	207,000
Persons with no occupation	278,000
Occupations unknown	37,000
	3,268,000

VITAL STATISTICS.

It has already been pointed out that the population is continually increasing; this increase amounts to about 0.95 per cent. per annum, or just over 30,000 annually. There are roughly 38,000 deaths to 75,000 births. The average birth rate is 22.3 per thousand, the death rate 11.3 per thousand. The marriage rate is about 7.5 per thousand, amounting to 26,000 marriages annually. About 10.5 per cent of the children born every year are illegitimate. The mean age for males is 60.3 years, for females 61.9 years. Conditions of population in Denmark may, therefore, be considered as very healthy and sound.

THE GENERAL ECONOMIC SITUATION.

Although Denmark benefited by and prospered during the war, the inevitable reaction after the war absorbed such wealth as had accumulated. The Danish currency deflated and caused serious handicaps to both agriculture and trade and industry, to sell in deflated kroner values, and to buy raw materials and commodities from abroad at gold standard prices could only produce adverse effects on the cost of living, wages, price tendencies, etc.

Speculations in Germany and other countries with deflated currencies during the years 1920—1924 increased the dangers to the economic situation in Denmark, which remained so even throughout 1925, and for the greater part of 1926.

However, things have changed vitally since the Kroner was brought back to gold standard basis and stabilised at par. It will, of course,

take some time yet to adjust wages and cost of living to the new situation

The burden of direct and indirect taxation amounted to no less than Kr. 121 per head in 1924-25, compared with Kr. 37 in 1913-14, a fact which still handicaps economic development in Denmark, but which is taken into consideration by the Government when making up the budget for 1928, so that economic stability and ease should be established before long.

Revenue and expenditure for 1925-26 are illustrated by the following two tables:

Revenue balanced at 382.7 million kroner and exceeded expenditure by 1.1 million.

	Mill. Kr	Percentage of total.
Revenue from Crown Lands, Public Undertakings, and Holding Funds, etc.	30.6	8.0
Taxes on Real Estate	11.6	3.0
Income and Property Tax	146.5	38.3
Stamp Duty	22.2	5.8
Customs and Excise	209.4	54.7
Fees and perquisites	16.2	4.2
Miscellaneous	7.4	2.0
	382.7	100.0

This total does not include 12.8 million Kr. legacy duty, additional income tax, motor vehicle turnover duty and the various consumption taxes (23.5 million Kr.).

The current expenditure amounts to 381.6 million Kr., distributed as follows:

	Mill. Kr	Percentage of total
The Crown, Parliament and Foreign Office	9.8	2.6
Defence	60.0	15.7
Interior Administration, Justice	44.5	11.7
Expenditure for Trade and Industry	40.5	10.6
Social purposes	85.4	22.4
Public Education	74.3	19.4
Health	17.6	4.6
Miscellaneous	49.5	13.0
	381.6	100.0

The budget proposals for the financial year 1927-28 show receipts Kr. 341,600,000 and expenditure Kr. 340,200,000.

The State assets for 1926 amounted to 1,504 million Kr. The Internal State Debt 673 million Kr., the foreign debt 507 millions; the total National Debt 1,180 million Kr.

BANKING.

On January 1st 1927 the total assets and liabilities of the 189 Danish commercial banks (apart from the National Bank) with Kr. 253,000,000 share capital and Kr. 107,000,000 reserves balanced at Kr. 3,008,000,000. The assets and liabilities of the National Bank balanced at 3,007 million Kr. on December 31st, 1926.

SAVINGS BANKS.

There are over 500 savings banks in Denmark; they are all private undertakings, and a great number of them are situated in the rural districts. Those in the provincial towns have the greatest total deposits, as shown in the following table:

	No of Sav. Banks	Deposits Mill. Kr
Copenhagen	5	519
Provincial towns	104	1,110
Rural districts	419	284
Whole country	528	1,913

There are in Denmark 13 Mortgage Credit Institutions and 9 Hypothec Societies, 214 insurance companies, of which 100 are foreign, of which again nearly half are British, dealing chiefly with fire, life and motor car insurance.

The number of limited companies at the beginning of 1927 was 6,150, with total paid up share capital of 2,335 million Kr.

DENMARK'S AGRICULTURE.

About 76 per cent. of the area of Denmark is utilised for agriculture and gardening, 9 per cent. is timbered.

Small farms are in great majority, but the greater portion of the agricultural area is taken up by medium size farms. The number of so-called State Small Holdings is increasing considerably.

Most of the farms are freehold property of the farmers; only about 7.5 per cent. are leased or tenanted.

Agriculture is chiefly adjusted to the cultivation of fodder for cattle breeding, which is the basis of the important dairying industry of Denmark.

The cultivated area is divided as follows.

	1,000 ha in 1926
Grain	1,288
Seed	28
Potatoes and root crops	482
Fallow	99
Grazing and green fodder	866
TOTAL	2,763
	Live Stock in 1926
Horses	548,000
Cattle	2,832,000
of which milk-cows	1,480,000
Pigs	3,122,000
Sheep	233,000
Poultry	18,524,000

The exports of agricultural products amount to about 80% of the total exports and constitute chiefly dairy produce, bacon, etc. The greater part of the exported farming produce is consumed in Great Britain.

THE CO-OPERATIVE SYSTEM OF FARMING AND DAIRYING.

The Danish co-operative farming system has been frequently, and particularly during recent months, demonstrated as an example to British farmers. The small and medium-size farms of Denmark have, by means of an extensive organisation of co-operative societies, come to participate in the advantages of large-scale agriculture. This is the fundamental factor in the importance of Danish agriculture. An essential condition of this agricultural co-operation is the high standard of education among the Danish rural population, which is fostered by an excellent system of schools and agricultural colleges.

There are the Farmers' Associations, The Small Holders' Associations, and the Royal Agricultural Society which all work for the general economic development of agriculture, and have branch organisations throughout the country, in addition to which there are breeding societies and control societies in great numbers with a large membership among farmers and cattle and pig breeders.

The agricultural co-operative enterprises are of the greatest economic importance and form the basis of the present system of Danish agricultural production. Of the 206,000 Danish farms about 184,000 are members of the co-operative dairies, of which there are about 1,400. There are eleven butter export associations, 12 co-operative bacon factories, with an increasing membership. Some of the bacon factories are again amalgamated into joint sales company, the Danish Bacon Company, which has its headquarters in London.

It would lead too far to go into all the details of this wonderful system of co-operative farming and dairying and marketing of agricultural and dairying produce, as it is practised in Denmark, although it forms one of the most interesting and fascinating subjects of economics. Suffice it to say that it is a well-organised and scientifically as well as practically proved successful scheme of co-operative agricultural production, based on co-operative and mutual instruction, education, supervision, economic handling and marketing.

THE FISHERIES.

The waters around Denmark abound in fish, and coast as well as deep-sea fishing developed quite naturally.

In 1926 about 3,000 small motor boats, about 2,700 sail boats and about 7,500 rowing boats were engaged in coast fishing, and 2,200 large sail-and-motor vessels in deep-sea fishing.

During 1926 12,750 people were regularly and 5,930 occasionally engaged in fishing.

The total yield of the Danish fisheries in 1926 was 76 million kilogrammes, valued at 36 million Kroner.

DANISH INDUSTRIES.

In spite of the fact that Denmark has no resources of her own for the important raw materials for industrial production, a number of industries have developed on very sound and extremely efficient lines.

The greater part of industrial production is, of course, for home consumption only; yet, on the other hand, a variety of industrial products are also exported from Denmark all over the world.

The chief industries are based upon the natural resources of the country—agriculture and dairying, cattle, and pig breeding—that is to say industries engaged in the manufacture of dairying machinery and auxiliary motors, seafaring vessels and engines are the chief industries of the country. Denmark is the home of the Diesel Engine which is well known all over the world.

Good means of transport make imports of raw materials comparatively easy, and the personal qualities of the Danish workman ensure efficient production of quality goods.

Practically one-third of the population earn their living in industry to-day, almost as many as those engaged in agriculture.

The chief industries are concerned with the preparation of foodstuffs (condensed milk, fish and meat preserves, butter, etc.), the production of textiles, clothing, earthenware, wood-work, leather and leather goods, chemicals, paper, cement, porcelain, motors and engines, electro-technical goods, etc.

An interesting movement in Danish industrial life is the increase of the number of assembling works, especially for motor cars; both Ford and General Motors have their own assembling works in Denmark, and excellent opportunities are offered to British motor cars, if they work on similar lines.

At the end of 1925 there were 89,175 industrial establishments in Denmark, with 391,561 workmen and employees.

The central organisation of Danish manufacturers is the "Industriraad," The Federation of Danish Industries, at Copenhagen.

No. of Establishments.	Production	Workmen.
9 sugar factories	173 mill. kg.	4,800
2 refineries		700
Milk condensation	29 mill. kg.	
Canneries	8 mill. Kr.	
100 mills	85 mill. Kr.	900
134 margarine factories	70 mill. kg.	
9 oil mills, oil	81 mill. kg.	
oilcakes	193 mill. kg.	
230 breweries, tablebeer	74 mill. litr.	5,600
lager beer	152 mill. litr.	
5 distilleries, spirit	6 mill. litr.	500
yeast	6 mill. kg.	
17 chocolate factories	5 mill. kg.	1,600
627 tobacco factories	79 mill. Kr.	6,900

No. of Establishments	Production	Workmen
69 hosiery factories	2.2 mill. kg.	2,300
5 cotton mills	3.9 mill. kg.	1,000
50 wool mills	1.4 mill. kg.	2,100
36 cotton mills	3.5 mill. kg.	2,100
29 clothing factories	24 mill. Kr.	
10 roperies	6 mill. Kr.	500
42 anneries	17 mill. Kr.	592
114 shoe factories	2.9 mill. pairs	2,800
300 brick works	600 mill. bricks	6,000
7 cement works	569,000 ons	2,100
6 glass works	5.5 mill. Kl.	730
100 iron foundries	52,000 tons	
100 engineering works	50 mill. Kr.	
Bicycle works	53,000 cycles	
11 iron shipbldg. yards	19 large ships	7,000
2 large cable factories	21 mill. Kr.	1,000
64 iron goods factories	11 mill. Kr.	1,200
26 tin goods factories	18 mill. Kr.	1,600
54 metal ware factories	8 mill. Kr.	
21 piano factories	2,000 pianos	400
10 paper mills	25 mill. Kr.	1,600
276 saw mills	27 mill. Kr.	3,600

Fertilizers	...	53
Mineral fuels	...	113
Raw iron, semi-manufactured iron goods	...	48
Manufactured iron goods	...	31
Other metals and metal goods	...	35
Ships, vehicles, machinery, instruments, clocks	...	136
All other goods	...	331

TOTAL 1,620
of which 186 from U K

Altogether 3,603 complete motor cars and parts for assembling 32,392 cars were imported during 1926.

The imports of raw materials and auxiliary materials form about 50% of the total import value.

Exports of Danish goods during 1926 amounted to 1,405 million kroner and were composed as follows:

COST OF LIVING.

	On January 1927 (1914 = 100)	and April 1927
Foodstuffs	156	152
Rent	185	189
Rates, taxes	253	252
Clothing, footwear, laundry	196	193
Heating and lighting	230	212
Other expenses	174	172
TOTAL	181	178

FOREIGN TRADE.

Denmark has a comparatively large foreign trade, by necessity, because, as has already been shown, raw materials are not available to any extent at home as to be of importance to home industries. The position of the country too has contributed to the development of its extensive foreign trade.

The value of the total imports and exports and the import surplus are:

	Total Imports Mill. Kr.	Total Exports Mill. Kr.	Import Surpl. Mill. Kr.
1924 ...	2,366.3	2,164.1	212.2
1925 ...	2,081.7	1,959.3	122.4
1926 ...	1,620.2	1,516.7	103.5
1927 Jan-Aug	1,071.8	1,007.0	64.8

Imports are always higher than exports, although the surplus of imports has been decreasing during latter years; on the other hand the deficit is made up by increasing revenue from freights on foreign shipping.

Imports during 1926 were composed as follows:

	Mill. Kr.
Unground grain and pulse	124
Feeding stuffs	123
Groceries	96
Yarn, rope	34
Soft goods of silk	23
Soft goods of wool	68
Soft goods of vegetable materials	86
Articles of clothing	56
Tallow, oil, rubber, resin, tar	111
Wood, unworked and sawn	63
Vegetable substances, including oil seeds	99

Live animals	...	55
Bacon, beef, etc.	...	456
Butter, cream, milk, cheese	...	455
Eggs...	...	91
Fish, shell-fish, not tinned	...	22
Lard, tinned goods and other foodstuffs	...	18
Seeds	...	10
Soft goods, clothing	...	8
Raw hides and skins	...	16
Vegetable oils	...	26
Cement, flint, cryolite	...	23
Machinery, automobiles	...	74
Ships	...	35
All other goods	...	117

1,408
of which 858 to U K

Agricultural produce accounted for four-fifths of the exports.

Transit trade amounted to 111 million kroner during 1926.

The percentage distribution of imports and exports by countries of origin and destination respectively is shown in the following table, demonstrating that Britain is third where imports into Denmark are concerned, but easily first where exports of Danish products are concerned.

	Total Imports p Ct	Exports of Danish Goods p Ct	Total Exports p Ct
Great Britain	11.5	60.9	56.6
Germany	31.0	19.8	19.2
United States	16.2	0.7	0.8
Norway	1.8	3.7	4.3
Sweden	6.1	4.7	7.4
Finland	0.9	1.5	2.4
Russia	2.2	0.1	0.1
Holland	3.8	0.7	0.7
France	4.0	0.6	0.6
Switzerland	0.8	1.0	0.9
Roumania	1.5	—	—
Argentina	1.6	0.2	0.2
China	1.2	0.1	0.1
Other countries	17.4	6.0	6.7
	100.0	100.0	100.0

Great Britain is the only country with which Denmark has always an export surplus, although during 1926 there was an export surplus also with some other countries. The biggest import surplus comes from Germany, and then from the United States.

Although Germany is still the biggest supplier to Denmark, she has lost considerable ground in that market, compared with pre-war figures. It is chiefly due to the neighbourhood of Germany and the systematic working of the Danish market by German firms that she has the position in that country which she occupies to-day.

Great Britain bought three-fifths of the Danish exports, and there is not the slightest doubt that if British manufacturers were paying more serious attention to the Danish market as a market for British goods, the percentage of British exports to Denmark could be increased quite considerably. The tendency among Danish import houses is indeed such that they are anxious to secure British goods and agencies, but usually the German manufacturers are quicker to realise Danish needs and to supply them, before British houses have even laid out their catalogues.

It is about time that the Scandinavian markets as a whole are looked upon more seriously as potential markets.

Great Britain holds her own in the supply of coal, coke and other fuel to Denmark, and there is no reason why other decidedly British industries, such as the hardware, iron, steel and metal goods industries should not obtain a larger share in the business available.

Denmark is an excellent market for textile goods; British textile exporters should realise that the coarser grades of textiles sell better. They should study the Danish textile and clothing needs more carefully, because it is only due to our lack of this knowledge that Germany, Belgium and Czecho-Slovakia have been able to gain such firm footing.

Then there is the important bicycle business; next to Holland Denmark is the country with the greatest number of bicycles in use. Although recognised as being of excellent quality, British cycles are generally found to be too expensive, which should induce some manufacturers to produce a bicycle specially designed to meet Danish requirements. The roads are excellent for motor car and motor cycle traffic, as the country is on the whole flat, and with the increasing activities of Ford, the General Motor Export Company and certain German firms who assemble cars in Denmark, and supply the market and the other Scandinavian countries from Denmark, create an increasing demand for motor vehicles, which should be followed up very closely. The handi-

cap from which British motor vehicles suffer is the lack of depots for spare parts and service stations, in which respect the American and German manufacturers are very strong. This is found to be the case not only in Scandinavia, but we have seen it with Holland, Germany, Egypt, Czecho-Slovakia, and in fact it is the case in most foreign and overseas countries. It seems incomprehensible that British industries almost invariably neglect these details of service and spares, although it is one of their strongest points at home.

The British manufacturer must realise that Denmark, as well as Norway and Sweden differ in many respects from most other foreign markets. Danish comforts of life, housing, food, clothing, etc., are on a very high level, though simple and unaffected in their form. The Danes have a sturdy independence of thought, both national and social, a dogged determination to remain Danish in all their ways, habits and customs; hence their demands and requirements need more careful study; the nature of certain goods, textiles for example, must be adjusted to the peculiar taste, etc.

If British manufacturers of textile goods, shoe and leather articles, bicycles and motor cars, hardware and ironmongery, household goods and electro-technical apparatus and supplies would bear these points in mind and produce that grade of quality at such a level of price as is required in Denmark the share of British exports to Denmark could be raised considerably in the near future.

The adverse influence on British business in Denmark, created in recent years by the benefits Germany, French and Belgian, as well as Czech and Italian manufacturers derived from their inflated currencies, is suppressed by the stabilisation of these currencies.

In **hosiery** there is an increasing demand for plain colours in cotton and artificial silk, seamless fully-fashioned, in a very soft yarn.

In **underwear** the coarser type of heavy fleeced cotton underwear, and the light-weight summer underwear command good sales.

As far as **artificial silk goods** are concerned it is curious to note that although Great Britain supplies Denmark with 80 per cent of all artificial silk raw materials required, manufactured piece goods are chiefly imported from other countries.

In **woollens** Bradford makers have excellent chances in Denmark, since the stabilisation of Continental currencies.

The demand in materials is however directed chiefly on medium quality grades, heavy weights, which are rarely offered by British firms.

The same applies to **cotton** goods, in which a growing demand is supplied by Dutch, German and Czech firms.

Ready-made clothing is almost exclusively bought from other countries, as British styles are entirely unsuitable, and so far British manufacturers have done little to study styles and fashions as they are in Denmark to-day.

Good business is also available in carpets, rugs and mats, lino, metal bedsteads, solid and fancy leather goods, boots and shoes, sports goods, electro-technical materials, wireless goods, motor cars, motor cycles and accessories.

The number of wireless sets in Denmark is 150,000. The new powerful station at Kallundborg will increase this figure considerably; the demand is directed to quality goods, as the cheap unpatented articles which were thrown on the market during inflation period were very unsatisfactory.

MOTOR VEHICLES IN DENMARK.

Total imports of motor cycles amounted to 1,216 valued at Kr. 1,104,000, of which 528, valued at Kr. 448,000 came from Great Britain, and 538 from U.S.A.

Altogether there are about 97,000 registered motor vehicles in the country, of which about 62,600 motor cars, taxis and omnibuses, 13,200 light delivery vans, and 21,200 motor cycles.

The number of bicycles amounts to about 1,000,000. Most of the bicycles are assembled in Denmark, the components being imported from the Continent for the cheaper grades, and from Great Britain for the better quality grades. The same applies to complete cycles and motor cycles.

The central organisations of Danish commerce are the Merchants' Guild (Grosserersocietet) and the Provincial Chamber of Commerce (Provins Handelskammeret).

SHIPPING.

Denmark's merchant fleet is still amongst the largest in proportion to the size of the population, with 194 reg. tons per 1,000 inhabitants. It is characteristic that the number of large motor boats and the transition of sailing boats into sail-and-motor ships increases rapidly. In 1926 the whole fleet consisted of 1,875 ships with a total of 1,117,000 reg. tons, of which 756 vessels with a total of 1,027,000 reg. tons were steamers and motor boats. Most ships are being built in Danish yards, a development which is closely connected with the advance of the Danish Diesel Engine industry.

Copenhagen is the headquarters of practically all the steamship and motor boat owners, a consequence of the centralisation of the business and intelligence service there.

Earnings of the Danish mercantile marine in the traffic between foreign countries and Denmark amounted to 200 million kroner during 1926.

COMMUNICATIONS AND TRANSPORT.

Ships arrived at Copenhagen	15,300	5,000,000 reg tons
Goods discharged and loaded		4,000,000 tons
Ships arr. at provincial ports	76,800	9,000,000 tons
Goods discharged and loaded		9,400,000 tons
Length of railways in Denmark	5,000 km	
of which State owned	2,400 km	
and private owned	2,600 km	mostly branch or local
State receipts from railways	137,600,000 Kr.	
Private receipts from railways	31,800,000 Kr.	
Total capital invested in railways	591,000,000 Kr.	
of which State capital	462,000,000 Kr.	
Number of motor vehicles	97,000	
of which motor cars	75,000	
motor cycles	21,200	
motor buses	700	services covering the country

Length of main roads	7,600 km
Length of by-roads	43,400 km
Number of air-service flights	2,203 flights
Distance covered	813,000 km
Number of passengers carried	7,792
Passenger luggage carried	61.7 tons
Other goods carried by air	38.1 tons
Mail carried by air	5 tons
Number of post offices	256
Number of telegraph stations	963
Number of 'phone subscribers	254,000, one for every twelve inhabitants
Number of wireless rec'v'ng sets	150,000

To a manufacturer who is anxious to establish his business in a foreign market on an economically sound basis, it is very essential that he should have the market thoroughly analysed. He requires full statistical and other data on the distribution of the population, its wealth and savings, its total and per capita taxation, total and per capita imports and exports, distribution of commodities and articles of luxury, per capita and classes of occupations, etc., etc. These and other comprehensive data, in amplification of this general survey of Denmark, are available to British manufacturers, through our B.O.M. Market Research Department.

HOW TO ENTER THE DANISH MARKET.

We have shown above that Denmark is no longer an agricultural country pure and simple, but that a number of industries have developed during recent years, which, although they hardly produce a surplus for export, tend to offer competitive resistance in the home market. On the other hand, these industries are potential buyers of raw materials and equipment, for their own use and development. This must not be forgotten and left in the hands of more widely-awake foreign competitors.

Denmark did excellent business during the war, as an agricultural export country; the profits derived therefrom were used for the

development of industry and shipping immediately after the war. At the same time, attempts were made to protect the home industry against foreign competition, especially during the period of inflation of the currencies of several neighbouring countries, Germany in particular, as these deflated currencies had a serious effect on home prices, and the expansion of home industries. A result of these protectionist efforts was the new customs tariff, which was enforced in the early part of 1924.

As a quarter of the population of Denmark lives in Copenhagen, and means of transport and communication from that city to all parts of the country being excellent, Copenhagen being the most important port, followed in importance by Aalborg, Aarhus and Esbjerg, it becomes evident that all efforts to enter the Danish market should first be concentrated on Copenhagen. Later on, the activities may be extended to the other bigger cities, although it may be said right away that most important importers and agency firms in Copenhagen have their own branches throughout the country, or at least they have travellers visiting the country regularly. In fact, some of these firms have a sales organisation throughout the three Scandinavian countries; hence the fact that some manufacturers have a General Agent for the whole of Scandinavia, with headquarters at Copenhagen, although Swedish and Norwegian buyers are not in favour of such arrangements, as we pointed out in our October and November Surveys of these two countries.

The chief imports are coal, corn, food products, iron, steel, raw materials and half-finished goods, of iron and steel, agricultural and dairying machinery, paper and stationery, rubber and rubber goods, clothing, cotton, woollen and artificial silk goods, hosiery and other textiles, electro-technical supplies.

The trade in raw materials is generally done direct by the Danish industries, without intermediate agents. It is advisable, though, that British exporters of raw materials should send a principal over to Denmark periodically, to get the personal contact with the Danish consumers of raw materials, study their manufacturing conditions, in order to understand their needs better.

For manufactured goods the appointment of a local agent or representative is absolutely essential. Manufacturers should obtain full information about the agent they propose to appoint, and draft their agreements very carefully, to avoid misunderstandings and dis-

putes. The question of deliveries should be gone into very carefully, as Danish firms are very strict on this point, and quickly cancel orders the delivery of which is not executed to time.

AGENTS' NAMES AND ADDRESSES.

There exists in Denmark a special organisation of manufacturers' agents and representatives. This organisation is always willing to assist manufacturers in finding suitable and reliable representatives throughout Denmark. A monthly list of "Agencies Wanted" and "Open Agencies" is issued to all members. The name and address of this organisation is:—

Foreningen af Representanter for udenlandske Huse i Danmark; Gr. William Malinso Højbroplads 5, Copenhagen-K.

DIRECTORIES.

Kragh's Vejviser.
København Telefonbog.
The Danish Yearbook.

BANKS.

Nationalbanken (The State Bank), Copenhagen.
Den Danske Landmandsbank, Copenhagen.
Privatbanken, Copenhagen.
Kjøbenhavns Handelsbank, Copenhagen.
Aarhus Privatbank, Aarhus.

TENDERS.

Invitations for tenders are published in the Foreign Office Journal, but foreign tenders are accepted only in very exceptional cases, in view of the activities and propaganda of the national association, "Dansk Arbejde."

LANGUAGES TO BE USED.

Needless to say that the use of Danish in correspondence is preferable, and essential in all printed matter, catalogues, etc. However, Danish business-men are generally also well acquainted with the English and German languages, either of which may be used when a Danish correspondent is not available.

WEIGHTS AND MEASUREMENTS.

Metric and decimal systems used throughout.

PRICES AND TERMS.

When dealing with manufacturers and big import houses quotations may be submitted in sterling, whereas Danish Kroner prices should be quoted to medium and small firms and retailers. Coal, corn, textiles are bought in Kroner for Preference.

There are no definite rules as to the terms of credit. These depend on the individual arrangements between supplier and buyer.

Raw materials are usually paid for against shipping documents on arrival, whereas credit is asked for transactions in manufactured goods, the period varying from 30 to 45 and 60 days.

AIR SERVICES.

Copenhagen—Rotterdam, via Hamburg.

Copenhagen—Berlin.

Copenhagen—Dantzig.

Copenhagen—London, via Hamburg, Rotterdam.

CUSTOMS.

British goods enjoy the benefits of an old Anglo-Danish Commercial Treaty, by which the most-favoured-nations-treatment is accorded to goods coming from Great Britain.

The Danish Tariff contains mostly specific duties (chiefly on weights); but *ad valorem* duties are levied on luxury articles. Goods not mentioned in the alphabetical classification to the tariff are subject to an *ad valorem* duty of 7.5 per cent. The classified list is obtainable from J. H. Schultz A/S, Copenhagen.

Animals and animal products, feeding-stuffs, seeds, grain and milling produce, garden and field produce, coal and coke, raw metals, iron and steel in bars, plates, mineral fuel oils and ships are exempt from duty.

Among the more important specific duties are (öre per kilo): fresh fruit, 1; unpolished sheet glass, 6; raw coffee, 17; cocoa beans, 6; rope, uncoloured string, 4; woollen yarn, undyed, 16; cotton yarn, undyed, 10; woollen piece goods, 80-130 (according to weight per square metre); iron goods, rough wrought, 3; vegetable oils, 5; common packing paper, 2; newsprint, 1.5; other paper, 8; tobacco leaf, 200.

Among the *ad valorem* rates the more important are (in percentages of the value): silk goods, 35; electric machinery, 7.5; other machinery, 5; skins for furriers, 20.

Combined rates: footwear, 60 öre per kilo, plus 7.5 per cent. *ad val.*; motor-cars, 25 öre per kilo, plus 5 per cent. *ad val.*; motor-tyres, 40 öre per kilo, plus 6 per cent. *ad val.*

Invoices for dutiable goods must be sent in duplicate, and must indicate numbers, weights, measurements and values. The duplicate must be dated and signed by the seller or his authorised representative in Denmark; date of order and terms of contract must be indicated on the duplicate.

Goods sent in transit through Denmark to another country are exempt from duty.

The following goods must be marked with the country of origin: electrical machinery, electric meters, tinned and enamelled goods for household use.

COMMERCIAL TRAVELLERS.

Foreign travellers who travel in Denmark must apply for a Commercial Traveller's Permit (*Adgangsbevis*), which is valid for one year and costs 300 Kroner. The Danish Government has issued a special notice to foreign travellers which may be obtained from the consular or passport offices. The Permit is issued on presentation of documents from the home government or Chamber of Commerce in the town the traveller comes from. This Permit must be produced before the police and customs authorities in every town in which the traveller intends to work. The control is very strict, and repeated negligence on the part of the traveller will be punished with deportation. Samples carried by travellers are exempt from duty, as long as they are made unsaleable. Samples which are dutiable are also exempt from duty if they are re-exported within 6 months from day of entry.

LEGAL ASPECTS.

The enforcement of foreign judgments in Denmark is mentioned in Section 479 of the Danish law on legal proceedings of 11th April, 1916. Furthermore Denmark has joined the Hague Convention of 17th July, 1905, whose sections 18 and 19 deal with the matter in question.

Foreign judgments, if pronounced by the court of a state, with which Denmark has concluded a reciprocal treaty concerning execution, may be directly enforced in Denmark. Such a treaty exists—in the shape of a special law—with Sweden (see "Legal Aspects" in our Survey of Sweden, B.O.M. November 1927). By decree of the Danish government foreign judgments, when reciprocity is proved, may furthermore be made eligible in Denmark, if they would be eligible in the foreign country itself, and if this is confirmed by the authorities in question. Hitherto no such declarations have been made.

The ruling principles for the enforcement of foreign judgments have been laid down by the courts. The foreign judgment must be put before the particular Danish court. The proceedings will, however, only have the mere formal nature of the foreign judgment in view, and it is only in cases, when the foreign court—to the detriment of the (Danish) defendants' interests—has neglected common international rules, that the Danish court will, from the said reasons, refuse the enforcement.

The legal rate of interest on disputed claims is 5% per annum.

The legal practitioners have no legally fixed fees; it is advisable to come to some understanding beforehand. Costs are generally assessed at the following rates;

Value of object	below 40 Kroner	...	3 Kroner
"	from 40 to 100 Kroner		6 "
"	" 100 to 200 "		12 "
"	" 200 to 300 "		16 "
"	" 300 to 400 "		20 "
"	" 400 to 600 "		30 "
"	" 600 to 800 "		40 "
"	" 800 to 1,000 "		50 "
"	" 1,000 to 1,500 "		60 "
"	" 1,500 to 2,000 "		80 "
"	" 2,000 to 3,000 "		100 "
"	" 3,000 to 4,000 "		120 "

LEGAL PRACTITIONERS WHO CORRESPOND IN ENGLISH.

Aalborg: Knud Petersen, Sagfører.

Aarhus: C. Holst-Knudsen, Landsretssagfører, L. Torv, 6

Copenhagen: Ulf Hansen, Høiesteretssagfører, Legal Adviser to the British Legation, Ny Kongensgade 4. A. Harhoff, Legal Adviser to the British Consulate, 4 Niels Hemmingsengsgade.

H. Hindenburg, Overretssagfører; St. Strandstrøede 21.

Knud Jarner, 43, Skindergade.

Kunton, Morris, King & Co., 14, Amaliegade

Charles V. Nielsen, Rosenborgsgade 7.

Esbjerg: H. Bang, Sagfører, Kongensgade 36.

Fredericia: P. A. Gudsøe, Sagfører.

Frederikshavn: H. P. Poulsen, Sagfører.

Horsens: F. C. Poulsen, Overretssagfører.

Kolding: I. N. Buus, Sagfører.

Randers: J. S. Möller, Sagfører.

Viborg: H. F. Andersen, Sagfører, Sct Mathiasgade 27.

PATENT LAWS.

Patents are granted to the inventor or his assignee for fifteen years, subject to the payment of annual taxes, and Patents of addition may be obtained on which no annual fees are required.

Except in cases falling under the International Convention the invention must not, at the date of application, have been already described in a generally accessible print, nor have been openly brought into use in Denmark. Methods of healing, articles of food, or processes for the production of articles of food, are not patentable. There is an examination as to novelty.

When an application is accepted, it is open to opposition for eight weeks.

The Patent becomes invalid if the invention be not worked in the country within three years of the date of issue, although the Patent commission have power to release the Patentee from this obligation under certain circumstances.

The first payment to be made is 20 Kroner, to be remitted with the application. The annual payments are: for the first three years 25 Kroner per year; for the following three years 100 Kroner per year; for the next three years 200 Kroner per year, and for the last three years 300 Kroner per year. The patent becomes invalid if these payments are not made within the first three months of each year.

Applications can only be made through a patent agent or representative resident in Denmark.

TRADE MARKS.

Applications for registration of trade marks should be made through a resident representative, to the Trade Marks Register in Copenhagen. The cost of registration is 60 Kroner; the registration must be renewed every ten years; each renewal costs 15 Kroner.

PATENT AND TRADE MARK AGENTS.

Lehmann & Ree, Krystalgade 24, Copenhagen K.
Internationalt Patent-Bureau A/S., Nygade 6, Copenhagen-K.

STATUS ENQUIRIES AND COLLECTIONS.

The following rates are charged on successful collections; if unsuccessful the solicitor or collector will charge a nominal fee for correspondence and postages.

10% of 800 Kroner;
5% of the following 1,200 Kroner;
3% of the following 8,000 Kroner;
2% of the amount above.

Commercial enquiries and debt recovery are handled by:

Kobmandstandens Oplysningsbureau, Gammel Mont 2-4, Copenhagen.

FAIRS AND EXHIBITIONS.

A number of fairs and exhibitions are held every year at Fredericia and Copenhagen, by various Agricultural Societies or Industrial Organisations.

During 1927 there were held: a Road Construction Exhibition at Fredericia; an International Air Transport Exhibition, a Radio Show, an Exhibition of Northern Arts and Crafts, the 11th Horticultural Show, at Copenhagen.

Regular annual Fairs are: The General Fair, in the autumn, at Fredericia; the General Fair, in March, at Copenhagen.

The Danish industrial and scientific, as well as horticultural and dairying exhibitions and shows are always extremely interesting and attract visitors from every country of the world.

A visit to the General Fairs at Fredericia and Copenhagen will prove especially instructive, inasmuch as the growing industrial and technical development of Denmark may be studied there. The visitor will be impressed by the wide range of Danish industries engaged in the production of machinery, motors, tools and implements, which industries are now quite as important as the dairying industries which originally and not so long ago were the chief support of the economic life and situation of Denmark.

We understand that at the next General Fair at Copenhagen it is likely that foreign exhibitors will be admitted, and we can only advise British manufacturers to take full advantage of this opportunity and exhibit at Copenhagen; it is one of the quickest and surest ways to enter the Danish

market and make the Danish business man acquainted with the qualities and merits of your products.

DANISH ADVERTISING.

What has been said with reference to advertising in Sweden, applies for the main part also to Denmark, i.e., newspaper advertising is the foremost advertising force in that country; direct statements and facts, with good illustrations, have more chance of success than flattering "pretty pretty" copy.

In a small country like Denmark, with but 3½ million inhabitants, almost one-fourth of whom live in the capital, it is not very difficult to set up an advertising campaign which covers the entire field, yet it is advisable to consult one of the leading Danish advertising agencies. The Danish advertising association, Dansk Reklame Forening, will be pleased to bring prospective advertisers in touch with well-equipped agencies.

Denmark has a good number of excellent newspapers, periodicals as well as trade papers, of which we may mention the more important ones here:

Copenhagen:

- "Berlingske Tidende," with morning and evening edition, circulating chiefly among the better situated middle-class and business men. Approx. circulation 90,000.
- "Politiken," the most widely circulated daily paper, reaching all classes, with exception perhaps of the working population. Approx. circulation 100,000.
- "National Tidende," a daily newspaper appealing to the masses. Approx. circulation 70,000.
- "Aftenposten og Aftenbladet," two evening papers of the "Star" and "Evening News" style. Approx. circulation 80,000.
- "København," a daily business paper.
- "Børsen," a daily financial and commercial paper.
- "Landmænds Tidende," the paper for the agricultural class.
- "Socialdemokraten," a very widely circulated working-class paper.

Aalborg:

- "Aalborg Amtstidende." Circulation 20,000.
- "Dagbladet Nordjylland."
- "Aalborg Stiftstidende."

Aarhus:

- "Aarhus Amtstidende." Circulation 15,000.
- "Jyllandsposten."
- "Aarhus Stiftstidende."

Esbjerg:

- "Esbjerg Posten."

Frederikshavn:

- "Frederikshavn Avis."
- "Frederikshavn Social-Demokrat."

Fredericia:

- "Fredericia Avis."
- "Fredericia Social-Demokrat."

Svenborg:

- "Svenborg Avis."
- "Svenborg Amtstidende."

Viborg:

- "Viborg Stiftstidende."
- "Viborg Amts Social-Demokrat."

As in Sweden illustrated papers, magazines and home journals are read in every home, and constitute, therefore, very important advertising media, which must not be left out of any national campaign. Some of those we mentioned for Sweden are also published in Danish for Denmark:

- "Allers Illustrerede Familie-Journal," an essential Danish home weekly, read by middle-class families throughout the country.
- "Hjemmet," a widely circulated women's weekly.
- "Hver 8 Dag," an excellently produced illustrated weekly.
- "Illustreret Tidende," another illustrated weekly.
- "Hus og Hjem," a women's weekly.
- "Vore Damer," a ladies' fortnightly.

Of the more influential trade and technical papers, the following may be mentioned:

- "Teknisk Tidsskrift," engineering weekly.
- "Dansk Skibstidende," shipping weekly.
- "Ingeniøren," engineering weekly.
- "Architekten," building weekly.
- "Motor," motoring weekly.
- "Finanstidende," financial weekly.
- "Tidsskrift for Maskinvæsen," machinery monthly.
- "Tidsskrift for Industri," industrial fortnightly.
- "Elektroteknisk Tidende," electro-technical fortnightly.
- "Dansk Læder og Skoindustri," leather and shoe industry monthly.
- "Papir Tidende," paper trade monthly.
- "Radio," wireless monthly and weekly.
- "Manufakturhandlerbladet," textile weekly.
- "Manufakturisten," textile weekly.

In few of the facilities offered in a small country to reach all classes of buyers by circulars, folders, etc. "direct mail advertising" is used very extensively by Danish firms, and even by German houses who have been very successful in obtaining direct business that way.

Posters may be seen in the larger cities, in tramway carriages, the railways, cinemas, as well as hoardings and pillars.

Railway Advertising. Three standard sizes have been fixed for posters on the railways; in exceptional cases, however, larger sizes may be accepted for special sites:

	28 x 28cm.	30 x 60cm.	60 x 60cm
1-4 bills, each	Kr. 35	Kr. 50	Kr. 70
5-9 " "	" 25	" 40	" 60
10-24 " "	" 20	" 35	" 50
25-50 " "	" 19	" 29	" 45
51-100 " "	" 18	" 27	" 42
101-200 " "	" 17	" 25	" 40
201-300 " "	" 16	" 23	" 38
300 & more " "	" 15	" 20	" 35

These prices are per poster per annum, based on a five years' contract.

In the waiting rooms and halls only the sizes 28 x 28 cm and 28 x 56 cm. may be posted.

In most of the railway carriages an advertising book is laid out, for which advertisements are accepted. The prices are: Full page Kr. 450 per annum, half page Kr. 250 per year, quarter page Kr. 150 per year. Special discounts for longer periods of insertion.

Outdoor Posters. The average bill posting rate is Kr. 0.60 per day and per pillar. 5 öre per bill is charged for posting (sticking).

Tramway Advertising. Advertising spaces are provided on the decks and at the doors. If at least 10 spaces are booked, the bills, as long as they are only letterpress bills, will be provided free of charge. The size of the deck spaces is 403 x 431 mm.; if 10 spaces are booked, each costs Kr. 32 per year, for a 5 years' contract. The format of the door spaces is 160 x 440 mm., and cost Kr. 45 each per year, when 10 spaces are booked for 5 years.

If booked for a shorter period the rate is increased by 25%.

Film Publicity. Both advertising slides and publicity films may be exhibited in Danish cinemas. The following is a list of the best known cinemas, with rates charged for lantern slides.

Copenhagen:

Norrebro Theatre, Kroner 75
Scala Theatre, Kroner 75.
Kino Palaet, Kroner 60.
Cirkus Etablissement, Kroner 60
Sonderbro Theatre, Kroner 60.
Vinter Palads Teatret, Kroner 60.
Rode-Kro-Theatre, Kroner 40
Thalia-Teatret, Kroner 40.

Provincial:

Regina Theatre, Aarhus, Kroner 60.
Odense Folketeatret, Kroner 40
Apollo-Teatret, Aalborg, Kroner 40.
Kasino, Aarhus, Kroner 40.
Randers Folketeatret, Kroner 40.

Varieteen, Aalborg, Kroner 40.
Casino Teatret, Slagelse, Kroner 25.
Kosmorama, Koge, Kroner 25.

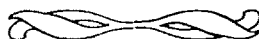
Publicity films must be demonstrated to the Cinema Manager before an exhibition rate will be quoted.

"Electrograph" advertising is fitted to the Ponoptikum Building near the Central Station; rate: Kr. 300 per month.

The Danish advertising agency De Forenede Annonce Bureauer, Copenhagen, has published a Register of the leading Scandinavian Newspapers and Periodicals, with particular mention of those published in Denmark. This Register is very useful to anyone contemplating advertising in Denmark.

IN CONCLUSION.

This concludes our Survey of the Scandinavian markets, and incidentally also our one-country-surveys, which we started with a Survey of the Netherlands, in our April issue. As indicated in our editorial this month, these one-country-surveys will be replaced by compact statistical surveys of several markets in each issue, beginning with the January, 1928, issue, each survey to be followed by Marketing Hints and Enquiries relating to the particular country dealt with, and it is hoped that this new presentation of international market and marketing data will prove valuable to a wider circle of manufacturers and exporters, to whom individual amplified data can be supplied upon application.



ARE YOU GOING TO LEIPZIG ?

(Continued from page 180)

he leaves England until he returns, the special issue of Business Organisation Magazine will be his only and complete guide and catalogue.

In addition, it will be the most important propaganda medium for British goods and British services ever issued in Europe. *Every article and section dealing with the British Exhibitors, their Exhibits, British Industry and Trade, British Visitors, and every British advertisement in that issue will be printed in German as well as English.*

This special B.O.M. issue will be published on the 1st of February, one month before the

opening of the Fair, because several thousand copies are to be mailed to prospective Continental buyers before the opening of the Fair, while the remainder will be distributed during the Fair.

We are anxious to make this a bumper propaganda issue for British trade and industry, and we hope that all those who exhibit, as well as those industries, trades, associations, the Press, etc., who are interested in Continental business, will support this special British Propaganda Number. Inquiries as to details of participation should reach us not later than January 5th, 1928.

The Romance of The Dictaphone.

By THOMAS DIXON,

Managing Director, The Dictaphone Co., Limited.



From the first crude efforts of prehistoric times to the highly developed systems of to-day, the story of the written word is one of the most romantic in the world's history.

It has reached its most complete development in The Dictaphone, in which the science of recording and reproducing human thought appears to have attained the last word in perfection.

I have tried in the following article to convey some idea of the romance of The Dictaphone.

LIKE every other revolutionary invention, the Dictaphone had to fight hard for world recognition. In its early days it met with the opposition of those who suspected anything new, the apathy of those to whom any revolutionary change of method was distasteful.

It survived the severest practical tests, broke down opposition, conquered apathy. And to-day it is recognised as an integral and essential part of the equipment of every professional man and every business executive who lays claim to efficiency as measured by modern business standards.

There is hardly a field of human activity in which the Dictaphone does not figure. It is first and foremost, the constant and indispensable assistant and companion of thousands of men who are acknowledged leaders in the world of commerce.

It plays a great part in enabling them to plan and carry out those wonderful developments that are revolutionising the trade systems of the world. It catches their thoughts as they arise, crystallises them in permanent form. Stray ideas intended for development later, or the minutest details and instructions for an elaborate and carefully thought out campaign are alike instantly noted with infallible accuracy.

THE ROMANTIC SIDE.

Here we see the Dictaphone playing its severely practical part in the business world. But it has a romantic as well as a practical side.

The Dictaphone has rounded the world with that famous traveller, Sir Henry M. Stanley, catching day by day his experiences and impressions of many strange lands and many strange peoples. It has done its work in great aeroplanes hurtling through the air, thousands of feet above the earth. It has visited the jungles of Africa to help in translating the Bible into the dialects of savage tribes: it has penetrated the wilds of South America to perpetuate the languages of dying tribes of Indians.

Above all, the Dictaphone has lifted thousands of men and women from sheer hopeless drudgery to positions affording a wider mental and material outlook, giving them a new interest in and a new grip on life.



MR. THOMAS DIXON.

There is plenty of romance in the story of the Dictaphone!

Through romance we reach practicality. The miracles of yesterday—the telephone, the aeroplane, wireless telegraphy—are the commonplaces of to-day, accepted and used without surprise and without comment.

So it is with the Dictaphone.

The Dictaphone is no longer merely a miracle of science. It has won its rightful place as a vital part of the equipment of business. Without it no office is regarded as being quite efficient or up-to-date. It is recognised to-day that without the Dictaphone the executive heads of business—the men who count for most in business organisation—cannot do their real best, cannot develop the full energy and driving power of which they are capable.

SAVING WASTED MOMENTS.

Why the Dictaphone is of such amazing help to the executive man may be told in a single sentence.

It enables him to make profitable use of time that under any other method of dictation is inevitably wasted. It saves him delay, enables him to do his work at once, without waiting, fuss or irritation.

With the Dictaphone he just works and dictates when he pleases, never waits for someone else to come in and

help him. There are no wasted moments, and what wasted moments amount to in a day, a week, a year, every competent business man knows to his sorrow.

In every business—large or small, the "one-man" office or the vast organisation where the Dictaphone equipment runs to hundreds of machines—the Dictaphone gives this efficient, tireless service to the executives, saving their time, making their work easier, increasing enormously their personal efficiency and individual output.

No labour-saving device of to-day pays such dividends as the Dictaphone. The Dictaphone is not a business expense: it is an investment that will repay its cost many times over.

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Business Organisation Magazine

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Edited by FRANK TOZELAND.

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Editorial Notes.

Co-partnership and the Rank and File.

IT is the function of this magazine, as we understand it, not merely to indicate developments in the machinery of business, the methodology of organisation and management, but also to direct attention and to consider those dynamic ideas which are the motives of industrial enterprise, and the ever-changing reaction to them of both employers and employed. From this standpoint we have frequently called attention to the steadily growing acceptance of the principle of Co-partnership in industry—the world-wide development of the movement for employee shareholding, and to the fact that it offers almost the only alternative, short of a definitely reactionary policy, to the chimæra of Socialism. Reaction is merely a futile policy, with happily few adherents, these being nicknamed, appropriately enough, Diehards. Socialism has relatively few followers among business men, and were its implications clearly understood, would appeal to working men even less. It is an arid doctrine at best, and while we remain a manufacturing nation, obliged to buy most of our foodstuffs abroad by the exchange of our manufactures, its practical realisation appears very remote indeed. Thus, the principle of co-partnership alone offers the rank and file any hope of permanently improving their status within a measurable time, and within the limits of the present organisation of industry.

* * *

Significant Political Developments.

DOES the average business man realise how rapidly this principle is gaining ground, how closely at hand its general adoption may be? We doubt it very much. Is it generally realised that both the great political parties opposed to Socialism have been driven to adopt it? Almost certainly it will be a plank in their programme at the next General Election. It is freely rumoured that the forthcoming report of the Liberal Industrial Inquiry, now imminent, will contain not only a recommendation for compulsory works councils, but also very strong advocacy of Co-partnership. The other day Mr. S. S. Hammersley, M.P., gave an address at the Caxton Hall to the Unionist Canvassing Corps on "Unionist Industrial Policy." He said some extremely significant things. Economic education, business consultation, co-partnership was the ordered progress of a

practical Unionist industrial policy, declared Mr. Hammersley. Workers must be supplied with information regarding the conduct of their trade. At present the financial and economic circumstances which affected the prosperity of industries were almost a closed book to them. Employee shares in limited liability companies were desirable now. **The time would come when legislation should be introduced to make a proportion of employee shares compulsory.** This, to the members of the Unionist Canvassing Corps, is a pretty clear indication of the direction of Unionist propaganda at the next election.

* * *

Lord Cecil's Lead.

A FEW days before Christmas Lord Cecil of Chelwood, who is joint president of the Industrial Co-partnership Association, presided at a complimentary luncheon to those three pioneers of the Movement, Dr. Charles Carpenter, of the South Metropolitan Gas Company, Mr. Geo. Mathieson, of Messrs. Clarke, Nickolls & Coombs, Ltd., and Mr. Theodore C. Taylor, of Messrs. J. & T. Taylor, Ltd. Lord Cecil said if employers would say frankly and unreservedly to the working man, "You have grown up, you are entitled to a say in the direction of the business and a share of the profits, but in exchange for that you must take a share in the responsibility for its success." Then the reward not only for the business but for the country at large would be very great indeed. Sir Alfred Mond observed that there was a kind of terror of letting workmen participate in shareholding schemes, due to the opinion that workmen were not people to be entrusted with shares. He was confident that workmen were not going to gamble with shares; they were the last people in the world to part with share certificates once they had got them. In industry there were three co-partners—shareholders, management, and workmen. All three parties were entitled to and must have their remuneration.

Our readers may consider that all this is familiar enough, and very little happens. But many things have happened in industry since the General Strike, and one of the biggest is the fact that the movement for Co-partnership has definitely emerged from the stage when it was little more than the hobby of a few enlightened employers into that of a first-class industrial and political issue.

Back to the Railway.

THE tendency to abandon the railways in favour of road transport, even for long distance traffic, has been familiar enough during the past few years. It is noteworthy, however, to hear of a case in the opposite direction. After having for several years employed road transport exclusively, Messrs. Rowntree and Co. of York, have established a rail-head depot in London to which their goods intended for distribution in the London area and the Home Counties are dispatched by fast freight express leaving York in the evening and reaching London in less than five hours. Containers, loaded in vans, are in the siding at the London depot before the staff arrive in the morning, whereas, when the goods came by road there was frequent delay through the staff having to wait for the arrival of the motor vans. At the rail-head depot the containers are unloaded direct on to lifts and hoisted to the main floor. Here they are unpacked, and individual orders rapidly assembled and transferred to motor vans for delivery to customers. Increased trade has resulted from the quicker delivery obtained by the new system, and Messrs. Rowntree's are now arranging with the L.N.E.R. for similar fast freight services between York and other large towns. This is a significant triumph for the railways over long-distance motor transport, and with further facilities for fast freight traffic, may result in a considerable extension of the back-to-the-railways movement.

* * *

The Cost of Selling.

OUR comments last month on the rising cost of distribution are reinforced in telling fashion in a valuable new work entitled "The Distribution Age," by Ralph Borsodi, published by Messrs. D. Appleton & Co., at 10s. 6d. net. The work would well repay careful study by all interested in the problem of high selling costs. How serious this problem has become of late is suggested in the preface, which states that "In the fifty years between 1870 and 1920, the cost of distributing the necessities and luxuries which we consume has nearly trebled, while the cost of producing them has been reduced by more than one-fifth. . . It is evident that what we are saving through the lower costs of modern methods of production, we are losing through the higher costs of modern methods of distribution." Many excellent suggestions are made indicating various directions in which inflated selling costs can be reduced, and for these alone the book deserves the attention of British manufacturers and distributors.

Better Marketing Advocated.

ADDRESSING the members of the Business and Research Management Association in London last month, Professor J. H. Jones, the brilliant Professor of Economics at Leeds University, urged that the time was ripe for us to build up a proper system of marketing. Old business connections between this country and the rest of the world had been broken during the past ten or twelve years, and it was useless relying upon a goodwill that no longer exists. While he believed that our efficiency as manufacturers was being under-rated, he also did not think that our inefficiency as merchants had been fully recognised as yet.

* * *

Monopoly's Temptation.

PROFESSOR JONES drew attention, *inter alia*, to the remarkable change during recent years in public opinion in regard to big business organisation—a point we have frequently emphasised in these notes—and declared that people now regard the trustification of industry, not as a menace to society, but rather as a means of achieving a desired end. It might be added that there is nothing more fluid than public opinion, and that it depends entirely upon our experience during the next year or two of the price policy pursued by the great industrial combinations whether the present benevolent attitude towards trustification will be maintained or give place once more to active hostility. It should not be forgotten too—that industrial combinations have their optimum limit beyond which they are demonstrably less efficient than smaller units; and it is at least doubtful whether what amounts to monopoly, as for instance, in the Match industry, will ultimately be for the advantage of the consumer. The temptation to exact a high price for the monopolised article has so often proved irresistible in the past that it would be surprising if history does not repeat itself in this respect in the future.

* * *

An Abuse of the Telephone.

THE reprehensible practice of advertising by telephone appears to be increasing in this country, to judge from recent complaints in the press. It is common enough in America, but reputable firms here have hitherto steadfastly refused to adopt it, and with good reason. To canvass regular customers by telephone for daily orders is legitimate enough, and often a convenience to both sides, but to ring up entire strangers merely to advertise some article for sale is an annoying abuse of the telephone, and in our view more likely to lose business than to promote it.

It is another matter altogether to approach a prospect by letter, or to request an interview for the purpose of making a sale. The latter can be refused and the former ignored if the prospect is not interested, but the peremptoriness of a telephone call is an intrusion on our individual privacy, and good taste forbids a liberty of this kind merely for the purposes of advertising.

* * *

Booming Accountancy.

THE extraordinary rapid development of accountancy as a profession was remarked upon by Sir Thomas Willes Chitty at the recent annual dinner of the Chartered Accountants' Students Society of London. He pointed out that accountants really owed their progress to the Companies Acts of 1862 and 1867, which created limited liability companies and turned the old partnership firms into companies. Another factor was the increase and progressive complication of taxation, and a third the increased powers of local authorities. The result had been that the men who in the 16th and 17th centuries were called book-keepers had developed into the most youthful profession, and to-day the membership of the Chartered Accountants Institute exceeded 7,000, while over 3,000 students were qualifying for membership.

* * *

Book-keeping for Young Women.

SIR Thomas Willes Chitty might have added that in these days, while young men are quite rightly flocking to accountancy as one of the most hopeful of the professions, the routine work of book-keeping is tending more and more to fall into the hands of young women. There is little future for a man in mere book-keeping, and no opportunity for the display of initiative, except in getting out of it into the wider field of accountancy. On the other hand, women make excellent book-keepers, and probably almost as many are now employed in the counting house as in the shorthand and typewriting work of the correspondence department.

* * *

Group Buying.

A GOOD illustration of the high efficiency of American buying methods is to be found in the work of the Associated Merchandising Corporation, whose London office is at 311 Oxford St., W.1. In a booklet descriptive of its activities the Corporation describes itself as "a retail distributing organisation for European manufacturers," but it is really a huge co-operative buying agency for seventeen American department stores, situated in seventeen different

cities of the United States. It has 375,000 daily sales transactions, and carries stocks of an average total value of \$78,000,000. Samples are received at the London office for despatch to the Corporation's offices in New York and Chicago, and its buyers attend the principal European markets. Cash is paid for all purchases, and British manufacturers who contemplate entering the United States market should note that the Corporation is prepared to assist them with suggestions.

* * *

Workers and the Directorate.

A NOTABLE experiment in the direction of affording workers the opportunity of sharing in the management of the business is being inaugurated by Messrs. R. A. Lister & Co., Ltd., of Dursley, the well-known agricultural engineers. Announcing the step last month at the diamond jubilee dinner of the firm, Sir Frank Nelson, M.P., described it as a landmark in British industry. He said that to further the spirit of co-operation and goodwill between the firm and its employees the directors had decided to invite a committee of employees to sit with them in future at their monthly meetings in order that a closer link might be forged between the directors and their workpeople. The committee would be elected by a ballot of everyone in the employ of the firm, and in his view the step would advance the interests both of the business and of those engaged in it. Sir Frank Nelson added that a bonus of one week's wages would be granted this year to every employee, and in future one week's wages would be paid to all employees when they took their annual holiday.

It will be interesting to see whether Messrs. Lister's enlightened example is widely followed. Certainly it marks a definite departure from the traditional policy of most manufacturing firms in this country. In many industries, of course, the workers enjoy a limited voice in the management, through works committees and factory councils, more particularly in the settlement of questions of wages and conditions of employment, but it is one thing to pass resolutions which are in the nature of recommendations to the Board, and quite another to sit with the directors and share with them in the responsibility for decisions which affect the fortunes of the enterprise.

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Why 1928 will be a Good Year—The End of Blood-Letting— A Review of Monetary Policy—What the Banks have Learned.

By OUR FINANCIAL EDITOR.

THE year upon which we are just entering opens, as does every year, with a great deal of optimism in the air. Why the New Year makes people take a brighter view of prospects it is difficult to explain. For years past the fact itself has been apparent, although each year has successively turned out a disappointment. We have not in this country had a really good trade year since 1920, but if we look back to the early stages of the years which have intervened we shall find that in the first two or three months of each of them the general prophecies about trade have all predicted improvement.

Does 1928 exhibit any differences from the foregoing seven years or will it like the rest flatter in the early months only to deceive in the later ones?

BLOOD-LETTING.

I am going to make a very bold prophecy. I predict that 1928 will be the best year for British industry and trade since 1920 and the healthiest year since the war. I make the distinction between best and healthiest because though 1919 and 1920 brought a boom the trade was not sound. It was in those years that inflation and over-capitalisation spread. No one has more persistently criticised the strong deflation policy which ended that false prosperity than I have; but I never doubted that deflation would be required. The policy we followed to achieve it was the wrong one. We deflated in this country on principles which were as much out of date as blood-letting is in surgery. All the sufferings of our trade since arise from that fact.

The post-war period in this country has seen the Treasury and the Bank of England commit every mistake in policy that is conceivable. For such a strong and universal condemnation as that much more evidence than a writer's word is necessary, and I do not expect any reader of these notes to take the statement on trust. I ask only that he should look at what happened in this country and elsewhere. Was the blood-letting form of deflation followed in America, or in Germany, or in France, or in any other great country?

MILESTONES OF PAST ERRORS.

I have been looking back over post-war trade history and counting the milestones of mistaken policy right from the time when Mr. McKenna in 1923 warned the Government and the Bank of England that their monetary policy was laying up stores of trouble for the Chancellor of the Exchequer. All along the line the blood-letting has weakened the patient—British industry and trade—and has prevented him from getting on his feet. What sort of deflation is that which is as unscientific as blood-letting? Cast back to 1919-20. In those years industry had been working on universally high prices. Bank credit and other forms of capital were in huge figures which in the terms of the pre-war sovereign contained a great deal of water. At one sudden swoop the Bank of England started deflating by insisting that the entire banking system should at once reduce loans. The bankers pressed their clients. The clients had to throw their stocks on the markets at less than cost prices. That is blood-

letting. It is a good way of killing the patient, but in this case the patient has proved extremely tough.

"A CONSPIRACY OF BANKERS."

Did anything like that happen in America where there was plenty of inflation despite the fact that she had so much gold? The answer is affirmative. In 1920 the American bankers under the lead of the Federal Reserve Board tried a similar process of deflation and by March 1921 there were five million unemployed in "God's own country." American industrialists, however, at once recognised that the banks were the blood-letting surgeons and these industrialists set up the cry "A conspiracy of bankers" and they made the American Parliament, the Federal Reserve Board and the 30,000 banks trim their sails. From that day to this the American banking system has contented itself by being—what the banking system should be—the handmaid to industry and trade; in America it dare not now attempt to be anything else. When the industrialists became convinced that consumption could rightly and safely be stimulated by a carefully-thought-out system of instalment buying, the American bankers might sagely and dubiously shake their heads, as the bankers are now doing in this country whenever the subject is mentioned, but they knew their place better than to attempt to stop the industrialists. They had to finance instalment buying just as they had been compelled to finance employment. And today one man in six in the United States has a motor car; wages are equal to the highest professional salaries here; abundance and prosperity everywhere.

FACTORS, PRODUCTIVE—AND OTHERWISE.

The lesson that America learned was that consumption of goods must be stimulated to make trade and industry prosperous. Whether instalment buying is universally safe did not cause her much hesitation; she went ahead. Instalment buying has evils and dangers; American business counteracted them and took what is good in the system—the stimulation of trade and the provision of employment—and made use of these. The bankers in this country usually attribute American prosperity to its wealth in yellow metal—in gold. This is entirely wrong. Gold does not work or produce anything. Hidden away in central bank vaults it is as useless in the production of a country as are the Crown jewels in the Tower of London. The producing power of a country consists in its plant and machinery, the brains of its industrialists, the skill and intelligence of its workpeople, and to cripple all these, as we have done, because the Bank of England's

court of directors thought we had not enough gold is the greatest of all absurdities. No other great country has done it.

A "READY MONEY" COUNTRY.

We have examined the case of the United States. Look now at France. For years America and Britain have been trying to get France to repeat our mistakes of blood-letting deflation. France always refused. Yet for several years France has been following a gradual and very healthy process of deflation with the result that the franc has been doubled in value (from 244 to the £ to 124) without causing jolting or dislocation to its industry. France at the present time is a great ready money country. It has £200,000,000 of ready money on short loan in New York and London. It is master of the ready money situation of the world. British and American bankers and financiers say France should use its ready money to pay off old scores. France, on the contrary, says that foreign financiers tried to destroy the franc and it will keep its ready money to beat them at the game. France has taken heavy toll of other countries for trying to force its hand. When urged to deflate it said "But yes; that is all very well, messieurs. France knows well what is its own affair. It will deflate but in its own time and in its own way if messieurs will only wait." And the result is that France's industry has suffered no setback in the

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past seven years, and to-day France by a single cheque could draw from the Bank of England every pennyworth of gold kept in the banking department of that institution. When it had done that it would still have about £40,000,000 on short loan in the London market. Can we wonder that M. Poincaré, when asked to send a representative to the central bankers' conference in New York, smiled his charming Gallic ironical smile and sent, not the chief of the Bank of France, who would have had power to do something, but M. Rist, an observer only, with no power to act? M. Poincaré did not mean to be hustled.

OPPOSITE ANGLES OF VIEW.

It is quite true, of course, that in failing to meet her debts to her Allies France has been at fault according to our way of looking at things; but on this point it must be remembered she has always contended that these debts should have been settled on a general scheme between the various countries based on reparation payments. Her point of view on such things is so different from ours that it is hard for the Anglo-Saxon mind to grasp it. The pound does not affect our general argument.

?—

Why do I predict that 1928 is to be our best year for trade since the "boom"? Simply because there are now the clearest possible signs that the Bank of England cannot any longer continue the repressive policy of the past six or seven years. Its power to deflate disappears when world prices come nearly to a level and when other banks in the country begin to resist its schemes for credit restriction. Fortunately the other banks have been doing this. They have, in effect, said, "Your blood-letting has gone too far; the patient must be let alone and must be given a tonic." The ordinary business man will want proofs that this has taken place. Very good. Let us give them. A little while ago in the early autumn the Other Deposits in the Bank of England went down to something near £90,000,000. These deposits represent the amounts kept at the Bank by the other banks and by its private customers which include foreign governments. At anything under £100,000,000 they are very low.

When Other Deposits at the Bank are low money is tight ordinarily because, of course, the low level implies that available sources of cash are fully in use. When, for instance, your own cash balance at your bank is near low point it means either that you are poorer or that your money is in use elsewhere. Hence when the Money Market found that Other Deposits were at their lowest for years it rubbed its eyes *because money was not particularly tight.*

BANKS AND "OTHER DEPOSITS."

How did that come about? The explanation and the only one of low Other Deposits and reasonably cheap money rates was this: the banks were not paying in so much of their surplus to the Bank of England but were keeping it under their own control. Why should they do so? Because when it passes into the control of the Bank of England in the form of currency notes the Bank, if it thinks there is any sign that some part of the currency is not just then needed, resumes its old pressure of deflation. Notes paid in to the Bank are used to cancel Government Debt; that is, they are used for deflation—whenver the Bank sees the slightest opportunity of doing so. Outside the Bank of England, every eminent banker believes that deflation has gone far enough; and therefore some of them seem to have taken steps to beat the Bank whenever it tries to resume the blood-letting.

AN ECHO OF CHRISTMAS.

Another thing that has been stopped is deflation by trick such as took place at the end of 1924. The needs of currency, particularly Treasury notes, at Christmas are always very large, and there is a Treasury minute which limits the fiduciary part of the currency note issue. Consequently Treasury Notes are not to be issued over the limit without the backing of gold. At the end of 1924 when the public called for currency notes so strongly that the limit of issue had to be exceeded by about £4¼ millions, the Bank of England and the Treasury put a corresponding amount of Bank of England notes (which are equivalent to gold) behind the extra issue of currency notes. Very soon the currency note issue went back to normal and the Bank of England notes used to cover the excess issue should then have been returned to the Bank of England so that they could become part of the bank cash of the country. No such thing was done. They were kept where they had been put for a purely temporary excess. The next year the same trick was apparently planned, but certain vigorous spirits in the City defeated it.

BANKING INSTINCT.

As I have said deflation has been the source of our trade worries; not deflation as such because France and others have deflated without damage, but deflation applied on rule of thumb and not scientifically; blood pressure treated by the crude method of the scalpel instead of by diet and care; and this deflation has now definitely ended because the general good sense of banking in the country sees nothing but ruin in continuing it. Thus the upward journey of trade to prosperity is possible for the first time in seven

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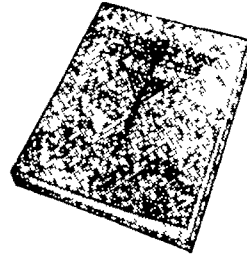
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years. The year 1928 will grow more rosy as it advances.

HOPE!

I have been critical of the Bank of England in this article and I believe when the financial history of 1920-1927 can be written fully the Bank's part in that depressed period will be a very black spot. History shows that the Bank always falls back on the Government in a crisis and always becomes repressive in a reconstruction. Let me say, however, in conclusion that in the past six months the Bank of England has been showing totally unprecedented signs of reform. It has been undergoing a really remarkable internal re-organisation. Its lack in the part of a proper intelligence service has been a crying shame but it has now got the nucleus of the best intelligence service. Perhaps its policy, which in recent months has been wiser, will now grow more sensitive to industrial and trade needs. If so we shall once again kiss our hand to the Old Lady of Threadneedle Street and we hope she will not mistake it for an undue familiarity. Meantime we wish her a Happy and Prosperous New Year.

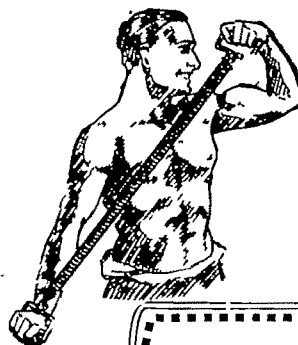
"Answers to Correspondents."

In answer to a correspondent I would like to point out that the way to get into touch with a broker is by introduction. The members of the Stock Exchange are not allowed to advertise or to tout for business. Anyone who wishes to employ a broker should get friends to introduce them, if they do not know one. The correspondent also wishes to know what are the minimum orders brokers will execute. This depends on the nature of shares one is purchasing. If they are 2/- shares, for instance, an order for 500 is only £50 should the shares be at par. But it should be understood that very small transactions on the Stock Exchange do not pay either the investor or the broker. The investor gets a worse price and the charges seem relatively high to the sum of money involved, while the broker has just the same amount of trouble as in executing a fairly large order.

The Name "TERRY'S" becomes a TRADE MARK.

In addition to the well-known Grip of the Spring, the name "Terry's" is now a Registered Trade Mark of Herbert Terry & Sons, Ltd., manufacturers of springs, presswork, saddles, and "AERO" valve springs, Redditch.

It is not only a Registered Trade Mark, it is a guarantee of quality, and buyers' should see that one of the trade marks mentioned appears on all articles stated to be of Terry's Manufacture.



**10
mins. a day
on a
"TERRY"**

To the 35 and over

INSURANCE records show the need for men of 30 and over keeping weight down. As adiposity advances so do the mortality rates.

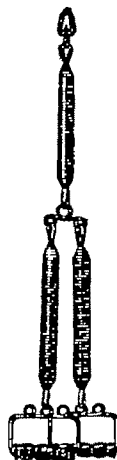
Keep fit now and enjoy the years ahead, when success has come.

—10 minutes on a "Terry" gives the muscles a daily clean, and burns up the fatty deposits, thus exercise, on scientific lines, promotes health, efficiency, and long life.

—buy a "Terry" steel-strand from your dealer.

In difficulty, write us.

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REDDITCH, ENGLAND.**

Est. 1855



Income Tax Law.

By F. E. SUGDEN, A.C.I.S., *Barrister-at-Law.*

The present is the concluding article on "Income Tax Law." Readers are invited to send in their Queries to the Editor for the elucidation of any material point. They may rely upon authoritative and helpful replies.

IN the last article reference was made to Schedule D and latterly in reference to place of assessment under this particular schedule. In continuation of this subject the next point to be considered is, what is the procedure in reference to assessment under this particular schedule? The party to be charged may, in respect of profits chargeable under Schedule D upon giving notice to that effect in his return within the time limited for making that return elect to be assessed by the Special Commissioners.

Attorney General v. Avelino Aramayo & Co.

There is the case of *A.G. v. Avelino Aramayo & Co* in the above connection, namely, an English company owning and working mines in Bolivia applied under section 131 of the Income Tax Act 1842 to be assessed on their profits and gains by the Commissioners for the special purposes of the Income Tax Acts. The business of the company was carried on and managed by a local board in Bolivia and sales of the company's minerals were made in England through a firm of agents in London. The special Commissioners made an assessment upon the local board in Bolivia in the name of the London firm. The firm, without objecting to the jurisdiction of the Special Commissioners or the form in which they had been assessed, appealed from the assessment upon the grounds that they were general commission agents within the meaning of section 31 subsection 6 of the Finance (No. 2) Act 1915 and did not carry on any regular agency of the company or the local board, and that no trade was carried on in the United Kingdom by the company or the local board; and, upon the Special Commissioners confirming the assessment the firm required them to state a special case for the opinion of the Court. The Attorney General on behalf of the Crown filed an information under section 59 subsection 4 of the Taxes Management Act 1880 to recover from the firm the tax assessed by the Special Commissioners. The information and the special case were heard together and the judge quashed the assessment but gave judgment for the Crown on the information.

On appeal to a higher court (Court of Appeal)

the Judges held that the firm, having submitted to the jurisdiction of the Special Commissioners by appealing from and demanding a special case upon the assessment, could not contend that the assessment was void (bad) as having been made not at their request nor at the request of the local board, but at the request of the company. The assessment was bad, inasmuch as there was no power to assess foreign agents of an English company in the name of an agent. Further that the information must be dismissed because it is based upon a bad assessment.

Method of Assessment.

If the party to be charged Income Tax does not elect the method of assessment, the assessment may be made by Additional Commissioners who have power to refer any particular return to the General Commissioners and must on the requisition of the Inspector state a case for their opinion.

The assessor does not take part in the assessment except where the party to be charged has not made a return in which case he is to furnish to the Commissioners an estimate of the profits assessable. The party to be charged may at his option appeal to the Special Commissioners instead of to the General Commissioners.

The Additional Commissioners are to make their assessment upon the returns made, if satisfied that they are made bona fide or if no return or no sufficient return is made, then according to the best of their judgment. Inspectors and Surveyors may examine and raise objections to the returns and assessments respectively and may make surcharges on the returns. The Additional Commissioners are to make out and sign certificates of the assessments when made by them and deliver them under cover, sealed up, to the General Commissioners together with the returns and other documents. The General Commissioners then proceed to make the assessment.

Mistakes in Assessment.

There is a very important point to be considered namely, what is the legal position in reference

to errors in the assessment? A person who alleges an assessment was excessive owing to an error or mistake made by him in the return or statement dated 5th April 1923 for a period of six years may apply in writing to the Commissioners for relief. The Commissioners will then inquire into the matter and make such repayment (including relief from super tax) as is reasonable and just; but no relief may be given in respect of an error or mistake as to the basis on which the liability of the applicant ought to have been computed where the return or statement was in fact made on the basis or in accordance with the practice generally prevailing at the time when the return or statement was made. Under such circumstances the Commissioners will have regard to all the relevant circumstances and, in particular, consider whether the granting of relief would result in the exclusion from Income Tax or Super Tax of any part of the profits or income of the applicant. With this end in view the Commissioners will consider his liability and assessments made on him in respect of other years. An appeal may be made to the Special Commissioners within twenty-one days, who will determine it according to the above principles and as an appeal to them against an assessment under Schedule D. In case of disagreement of the Special Commissioners finding, the person making the claim for repayment cannot go to the High on the facts at issue but only if there is a point of law to be settled.

Recent Changes under Schedule D.

There has been a general desire for a summary of recent Income Tax changes with special reference to Schedule D. For the Income Tax year 1927-28 and afterwards the basis of assessment for these years is changed to the profits of the preceding year. The accounts to be taken for this purpose will be the twelve months' account ending within the previous year of assessment, e.g., if the accounts are to be made up annually on the 31st December 1927 the profits will be assessed on the profits to 31st December 1926.

If no account of the total period of twelve months is available the Inspector of Taxes on behalf of the Commissioner has the power to decide what period to take. In the case of new businesses from April 1927 onwards the first and second years of a new business will normally be assessed as formerly but the assessment of a business one year after its existence may be reduced on the written application of the owner of the business within twelve months after the end of the year of assessment to actual profits.

In case of discontinued businesses the last year's assessment will be adjudged from 6th April 1927 until the date of the discontinuance of the busi-

ness. From this sum may be deducted losses brought forward from past years whether this is in favour of the Income Tax authorities or not.

In the case of a change of a partnership business the preceding year of assessment will be still applicable even though there may be a change in the personnel. In cases of partnership changes after 6th April 1928 all the old partners and all the new partners in the present partnership may make application within three months of the change of partnership to have the results of the year's working of the partnership to be treated as a new business and thus the old firm will be deemed for the purposes of Income Tax to cease to exist.

Other Schedule changes.

In reference to Property Tax under Schedule A in the future the tax is to be payable in one sum on 1st January in each year. Therefore it behoves the leaseholder to deduct the full amount from their Christmas rent.

Businesses which carry on trade for the purposes of trade, e.g., hospitals and charitable institutions, are exempt from assessment under Schedule D. In the case of Copyright Royalties payable to non-residents after 6th April 1927 the payer must deduct tax at the current rate and account to the local Income Tax authorities. This proviso does not include dramatic work or artistic photographs for cinematograph purposes, nor royalties in respect of copies exported for distribution abroad. Under the new system of taxation, losses on trading may be carried forward and set against the first subsequent profits during the next six years.

In concluding this important subject of Income Tax one would like, with our worthy Editor's permission, to draw special attention to cases which have recently occupied the attention of the Courts, namely:

Mitchell v. Noble.

In the case of *Mitchell v. Noble* a company which carried on an insurance business, being desirous in the interests of its business of getting rid of one of its life directors, entered into an agreement with him, to which the remaining directors were parties, under which in consideration of a payment to him by the company of £19,200, the Director undertook to retire from the company, to sell and transfer the 300 one pound shares held by him in the company to the remaining directors at par, to surrender to the company certain participating notes in it, and to abandon all claims that he might have against the company or its directors. The £19,200 was payable in five annual instalments. The company having paid the first instalment of £5,200

sought to deduct it for Income Tax purposes from its profits in the year of payment as being money wholly and exclusively laid out for the purposes of the business. The Court held that inasmuch as the Commissioners had found that the directors were satisfied that in order to save the company from scandal it was necessary to get rid of the director and to pay him the sum in question, that sum must be regarded as money "wholly and exclusively laid out and expended for the purposes of the trade" of the company within the meaning of Rule 3 of the rules applicable to Cases I. and II. of Schedule D.

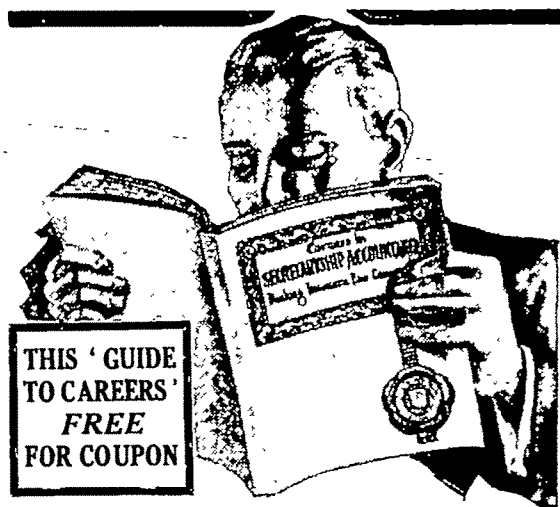
Further that as the payment was not made to secure an actual asset so as effectually to increase the capital of the company, but was made in order to enable the directors to carry on the business of the company, as they had done in the past, unfettered by the presence of the retiring director, which might have a bad effect on the credit of the company, it must be treated as an income and not as a capital expenditure and was deductible as such for Income Tax purposes.

Eastmans v. Shaw.

There is the case of *Eastmans v. Shaw*, in which a trading company carrying on business through a number of branch shops which were all subject to control by head office, followed a policy of opening and closing branch shops as was demanded by the business as a whole. The Court held that the difference between the cost of new fixtures, fittings and utensils for the new shops and the receipts from the sales of equivalent second-hand fixtures, etc., from the shops that were closed was a capital expenditure and was not a revenue expenditure which could be debited to the trading account of the company to ascertain the profits which were assessable to Income Tax.

Williams v. Sanders.

In the case of *Williams v. Sanders* the Law lays down that where a house is let in a number of apartments or tenements on weekly tenancies, the correct method of arriving at the annual value of the entire house or tenement for the purpose of charging the landlord to Income Tax under Schedule A is to ascertain what the value of each of the separate tenements would be if they were let by the year and to add the values together, making the permitted deductions from the total. It is not allowable either (a) to estimate what a hypothetical tenant would give for the whole house on the basis that he could relet it in tenements at weekly rents, nor (b) to add together the weekly rents and multiply by 52 and then allow a discount for contingencies.



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The Asset Test in Printing.

Some practical suggestions on printing efficiency and how to attain it.

By HORACE SHIPP

(Artistic Director of *Arthurs Press*)

Diagrams and Layouts by ERNEST SHIPP

(*Blackfriars Press*)

The Printed Word is the ubiquitous salesman. Potential buyers whom the 'personal' salesman would never hear of or reach, are influenced by it to purchase. And yet—in how many cases is it the Cinderella of the salesmen? Notable firms pay good salaries to their traveller staff—and *skimp their printing costs*. This is the very crux of the whole matter—lower prices rather than better printing. It is the purpose of this series of articles to promote a re-assessment of values; to assist the "user of print" to realise that since printing is both a cost and a salesman, the production must bear a definite relation in quality to the result, both expected and possible. In short to insist more frequently upon "better printing" rather than upon "lower prices" merely for the sake of price.—EDITOR.

IN the mind of the average business man printing is a necessary and expensive evil. He knows that budgeting upon any year's working he must allow some—to him unpleasantly large—debit against printing costs, and somewhere at the back of his consciousness is the idea that this cost is a dead loss only to be thought of in such unpleasant company as the income tax and the price of petrol. Now and again some individual printer with more effrontery than his brother craftsmen sends him an exquisitely printed brochure asking: "Does your Printing Pay?" or more pertinently "Is your Printing Bill too Heavy?" but he sees no light in the transfer of his patronage and drops it into his waste paper basket with a quiet thud.

Nevertheless he realises that his printing is in some way important. Whether it consists, in fact, of only his trade cards and his noteheading, or extends to the widest fields of publicity, embracing leaflets, pamphlets, brochures, posters, and all the other items of modern advertising, his printing goes to the world representing *him*. It is addressing people he has never seen in his name, cutting his figure before the world, creating an impression: an ambassador of type, ink and paper. Are you satisfied with your

where it goes it expresses something—a degree of culture, of prosperity, of taste and efficiency. Does it express you and your business?

Upon the answer to that question depends the likelihood of your printing making a return for the money you have to expend upon it. If your ambassador is interesting people in your doings, keeping them aware of your existence, intriguing them to come into business contact with you, it will cease to hang heavily upon the debit side of your ledgers. Printing that really pays, is printing which is *you* in a thousand, in a hundred thousand, places at once. It is the purpose of these articles to help you evolve just such printing, to govern and direct it from your own desk.

For the rich house with a large publicity or elastic overhead expenses the problem need not exist. They can go straight to the expensive presses with their personnel of artist-advisors, their costly papers, "special makings," and many colours; they can glance at and summarily reject proof after proof until something absolutely right appears by a system of experiment and failure. The experiments and the whole luxurious excursion will appear on the bill, but we are playing with the idea of that *rara avis* the business man with unlimited money to spend

1,851,841

REMARKABLE

Daily Mail

NET SALE

Largest in the World

The most significant fact in present-day journalism is the continued steady growth of *The Daily Mail*, as revealed by the Net Sale figures, which are printed below. These show that during the period from January, 1927 to October, 1927, the daily net sale of *The Daily Mail*—already the largest in the world—increased by no fewer than 126,747 copies.

The average daily net sale during October, 1927 was 1,851,841. All these copies *were bought and paid for by the public*. *The Daily Mail* was the first daily newspaper to provide advertisers with certified statements as to its net sale. The Auditors' certificate is as follows:—

WE CERTIFY that the average Net Daily Sale of "The Daily Mail," after deducting all unsold and free copies whatsoever for each of the ten months ended 31st October, 1927, was as follows:—

January	1,725,094	May	1,784,419
February	1,747,379	June	1,823,292
March	1,750,280	July	1,836,380
April	1,776,621	August	1,797,946
		September	1,815,325

October 1,851,841

(Signed) LEVER, HONEYMAN & Co.,
Chartered Accountants.

(Signed) LAYTON-BENNETT, CHEINE & TAIT,
Chartered Accountants.

Alas, he is "so very like a black swan" to finish the Latin quotation, that it is much safer to assume that you aren't he.

CHEAP—AND NASTY.

On the other hand stands the man who goes to the "little fellow round the corner" for his printing. The little fellow is cheap—and accordingly nasty. That is probably why he is little. His equipment, his taste, his capacity for giving what one wants are nil. Truly, however little you can indulge in the most expensive printer, you can afford this merchant less. None of us can go about ill-dressed by the cheapest reach-me-down tailors; nor can we afford to have our printing—the outdoor dress of our business house—proclaiming our poverty and lack of distinction to present and potential clients. Exit, then, the cheapest printer, hand in hand with the dearest, and we will proceed to put a modicum of our own intelligence into this problem of printing to get what we want at the sound average cost.

"BUT ME NO BUTS."

Govern your own printing. Give your printer explicit directions as a person "in the know." Get that knowledge of first principles and technicalities which will encourage him to collaborate with you in the production of your work and make it simple for him to interpret your desires.

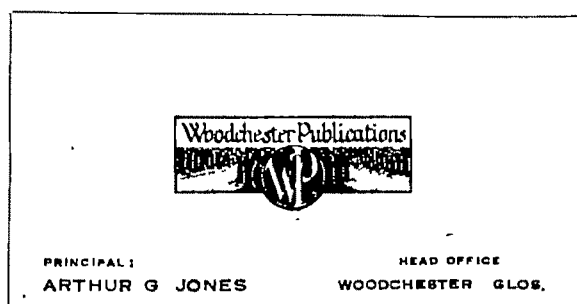
"But . . .," objects the busy man. There need be no buts, for modern printing practice by the cult of simplicity has come half-way to meet you. Ten, fifteen or twenty years ago fashionable design demanded a great deal in the way of "rules" (the printer's name for thin or thick lines around or between the lettering) and ornament. Now the whole movement is towards simplicity. All effects must be obtained with the actual placing of the lettering, the space, and the margins. Everything else is regarded as detracting from the clarity and rightness of the work. I noticed at the Book Exhibition at Leipzig this year that in actual book printing even the title line at the top of the book page had disappeared in accordance with this principle. Whatever fails to serve the purpose of telling some part of the story has been cleared away. Present day psychology, governed by the rush of modern life and the assumption that there is no time for inessentials has evolved beauty and artistry out of the plainest statement of the essential things without ornament or accessory. The quickly told tale is paramount, and whether you are telling it on your visiting card or at length in a full-dress piece of advertisement printing there must be no distracting fal-de-lals. Modern printing practice, therefore, is a matter of deciding what you want to

say and then saying it in its simplest basic lines and masses of type.

Colour is used in the same bold and simple way. Partly because of cost and partly at the dictates of this principle, the old realistic photographic three colour half tone printing tends to give place to distinct masses of pure colour—usually of a rather bright variety. The reason is the same: clarity and directness of expression. The poster which has to tell its story to he who runs or even passes in a car, is the dictator of the principle, and the wise man is he who plans his printing to achieve its work with the same directness and economy of means.

GENESIS.

The question of printing starts with your stationery. The things which people often see long before they see you or your representatives in the flesh are envelopes, note headings and name-cards. Indeed all modern publicity commenced with tradesmen's cards, and there is no study more fascinating than the early specimens of these with their quaint devices (usually woodcuts) and their quaint wording. For us then, we will commence with the too-often neglected trade card. The matter for it is dictated by the purpose it serves—an excellent principle which keeps it essentially "right." The important thing to aim at is that it should be of a piece with the whole of the rest of your stationery, and should if at all possible have some little note of individuality which marks it *yours* and causes in the mind of the man to whom it is taken a pleasant little Pelmanism, the recognition of a familiar thing. If your printer is carrying out your whole scheme of stationery in a certain type face, see that your card is in that too. If you are the fortunate possessor of a well-designed trade mark or some little device which you introduce into all your printed matter, and that device is capable of being reduced down to some miniature size to be incorporated in your card it will immediately lift your card away from the rest, it will give that tiny touch of novelty, interest, and the subtle pleasure we all get from seeing something reproduced in extreme miniature. We illustrate a clever example of this in the Woodchester Publications card. The design was made for their noteheading by Flora Kendrick and was found to reproduce down excellently as a card. It was a daring experiment, but succeeded admirably. Another striking example is illustrated at the base of the next column and embodies the most prominent feature of the front cover of this journal. "The Man with the Telephone" is used throughout all the trade promotion literature and correspondence forms of Business Organisation Limited, and reproduces wonderfully well as a business



card. Often the device will fit neatly into the top right hand corner, or come over or under the name, but if I were asked to make a prediction it would be that the emblematic calling card will have a distinct vogue.

THE INSISTENCE OF INDIVIDUALITY.

On this matter of devices a word may here be said: It is tremendously worth while for a business house to get an artist to work out some pleasant symbol of their activities or quiet pun upon their name—anything which will cause the immediate association of ideas. The necessary things to demand are: first this association, then clearness and interest of actual design in some pleasant outline shape which will fit easily into the many places where you can use it. If it can be designed so that it can be reproduced either in plain black and white or with an added colour its utility will be increased. The brilliant sign of the Festival Theatre at Cambridge is a notable example; or Heals' famous four-poster bedstead (albeit this hardly expresses the modernity which we associate with the house); or many of the signs of the publishing houses.

Given such a symbol it should appear in some form on all your stationery. If you plan to use

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Business

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Bury Street, London, W C.1

R. E. Mayo
Secretary



it on your envelopes put it on the *front* not on the flap. The one-time vogue for poster stamps has died down as the realisation grew that the business man invariably slits open his letters with a letter opener, and only the office boy enthusiastically salvaging the poster stamp from the w.p.b. benefitted from the expenditure upon this form of advertisement. The device of my own press, which was designed by Mr. Maxwell Ainsfield, stands excellently on the noteheading and down the left hand side of our envelopes. It causes the recipient of any letter from our house to be thinking Arthurs Press even as he opens the envelope and unfolds the paper, and so by the time he has started the letter we have been already in his thoughts some seconds, and are, as it were, old friends.

So to the actual planning of the noteheading itself. The problem of what goes on may wisely precede the how of its placing. Various elements will immediately assert their right. Your name, address, description of business, telephone number. There may be many other things which



seem to demand their place on your noteheading, but it is wise to take here the first step in elimination. If there is too much it will not be read nor noticed. The conflicting type masses cancel out. Often, however, especially for the smaller business man who does not indulge in many forms of publicity, the letterheading will need to tell his clients his special claims to their patronage, will list his specialities; or the larger house will need to include addresses of its branches. Firstly then, annotate the matter which must go on. Then group it in the order of its importance. The name will be first, the business description second, the address third, a list of special lines fourth, the telephonic and telegraphic address last. Five elements, with the device of the house as a sixth to unite into a pleasing whole.

At this point we invariably ask ourselves shall we use a border? One excellent way of doing so is to throw it right out to the edge of the paper so that it binds together your letterpress and your

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you in your business—in fact
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letter. If you are doing this it must of course be printed in colour or the risk of funereal associations will be too great. A grey effect however of the same kind can be obtained by using a half tone rule, i.e., a rule whereof the solid blackness has been broken by regular scoring usually diagonally across it. If the border is put round the actual type heading it is happiest when some part of the lettering is allowed to break the panel and so become part of it. The ordinary use of a panel border round the heading which was so in favour some years ago has been abandoned in modern typographical practice as tending to cut off the heading from the letter. The inverted pyramid form (somewhat overdone, I think, in these days) is designed to have the opposite effect by carrying the eye down to the typescript.

BASIC PRINCIPLES.

When we turn to the lettering—our groups in their varied importance—we have first to remember the basic principle of all good design: that of getting variety within unity. It becomes necessary then to plan the whole heading as making a basic shape within which we are going to dispose our masses. A glance at any well-designed heading will show this in operation. One will be an inverted pyramid; another a long rectangle, another a block of type in the very centre of the top of the paper balanced by the natural fall of the line lengths. Often when we examine the rectangle we find that it has within it other shapes of type, but the lines of those shapes must lead on one from the other. If we analyse the layout for the Fitzewel heading on page 211 we find first a rectangle. This is saved from monotony by the ornamental use of the S and the placing of the telephone number outside the bottom line but in harmony with the side line. The groups within this rectangle comprise two further rectangles the top and bottom lines of which harmonise, and the extreme side lines of which harmonise again with the single top line of the whole design. We may not bother, glancing at this superficially, to make any such analysis but the feeling that it is designed makes us subconsciously pleased with it. Pleasant white spaces rest the eye, the four things which the firm have to tell us stand apart but related. There is nothing haphazard.

THE LAYOUT.

The actual matter with which you have to play will often dictate the broad outline of your note-heading. You may find, as in the P. E. N. Heading illustrated, that an amalgamation of forms will give the right effect, but if in your eye there is this geometrical basis of a design

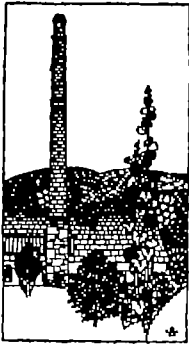
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By such means can a border be brought into a design

dictate largely whether you use thin bonds or banks (if you want many carbon copies) or heavier laid or vellum papers. If you care to essay tinted papers there are excellent shades in both banks and bonds, and often if two colour printing cannot be afforded the use of a tinted paper will convey a charming effect. See that your envelopes harmonise; have them made of the same stock if possible.

So to reiterate: Unify your stationery. Simplify your stationery. Plan just what you have to say. Group it in masses. Experiment a little as to the best broad, shape or scheme of shapes you can get this down in (remembering the limitations of type). Make a rough layout on the lines indicated in the diagram. Ask a good average printer to come to see you armed with a book of his specimen types (or failing this a select set of specimen types) and some papers suitable for letterheadings. Choose with him your type and paper, and find from him whether there is any technical impossibility in the layout you have made. Cause him to show you one or two proofs on various grades and shades of paper. And the business of obtaining distinctive stationery which shall express *you* and your business, and not merely that of the Getrichquick Press, will be well on the way.

ABCI	abcds	30 pt.
ABCH	abcdeh	24 pt.
ABCDK	abcdefgr	18 pt.
ABCDEFS	abcdefghik	14 pt.
ABCDEFGH	abcdefghijklo	12 pt.
ABCDEFGHK	abcdefghijklnr	10 pt.
ABCDEFGHIJKW	abcdefghijklmnopq	8 pt.
ABCDEECHJKLMW	abcdefghijklmnopqrstv	6 pt.

Relative values of type faces—
showing number of letters to
an inch—30 point to 6 point

THERE is hardly anything in the world that some man cannot make a little worse and sell a little cheaper, and the people who consider price only are this man's lawful prey.

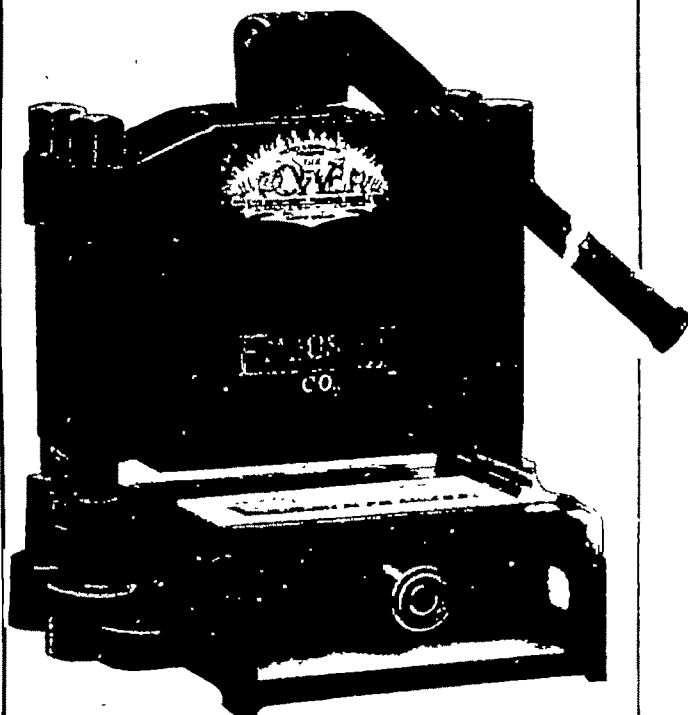
John Ruskin.

SAVE 80% OF SHOWCARD BILLS

Install the Patent "ALLPOWERFUL" SHOWCARD MACHINE

The most powerful single movement machine yet invented. Simple action. A child can work it.

HAS ONLY TO BE SEEN TO BE
APPRECIATED.



Takes a card 12½ ins in width by any length

Many Satisfied Users.

Write or call:—

THE EMBOSS-IT CO., LTD.,

26, ST. BRIDE STREET, LONDON, E.C.4.



Advertising Research.

By H. G. LYALL,

Director of the London Research Bureau.

**The Product, the Public, the Media ; a convincing treatment
of an interesting and all-important trilogy.—EDITOR.**

THAT does not seem a very happy title, but as it is the title of one of the best American books on the subject I have ever read, it can pass. Incidentally, as this book takes 600 pages to treat of the subject of Advertising Research I can hope only to touch upon a few of the more important aspects in an article of this length.

The application of research to advertising can be roughly divided into three sections, viz :

- (1) Research applied to the product to be advertised.
- (2) Research applied to the public for which the product is intended.
- (3) Research applied to the media through which it is intended to interest the public in the product and induce them to buy.

(1) RESEARCH APPLIED TO THE PRODUCT.

It is impossible to advertise a product with any hope of convincing the public and inducing people to buy unless those who have to plan the advertising policy have a very intimate knowledge of the product's qualities and limitations. This knowledge will not be attained to merely by listening to what the manufacturer has to say about his product. Inventors and manufacturers are proverbially prejudiced in favour of their own products and in their attitude to those of their competitors.

My experience has been that advertising agents do not as a rule probe deeply enough into the products which they undertake to advertise. Some agents are becoming aware of this weakness and are giving much more thought to the product. We have the admirable example of an agency which has recently fitted up a kitchen where foods and other household products can be put to tests under conditions similar to those prevailing in the home. If a kitchen, why not a laboratory? The one is as much of a necessity to the advertising agent as the other.

Even though the advertising agency possesses neither a kitchen nor a laboratory, examination and testing of products can be both easy and efficient. Outside experts can be called in to test technical products; friendly housewives in various walks of life will be found capable and willing to test domestic commodities and equipment in normal surroundings and give an intelligent account of their findings and opinions. For such products as motor cars, wireless equipment, sports equipment, etc., it is often easy among one's own circle of friends and acquaintances to secure an adequate consensus of expert opinion and experience.

The following from my own experience will probably serve to drive home my argument that the advertising agent should not depend altogether on the manufacturer for information about

the product. The product in this instance was a semi-technical one. It had gone well the first six months, thanks, we found, to the advertising, then the sales fell off. When sales were climbing up the manufacturer had nothing but praise for the advertising. When sales commenced to go down and kept on going down, the manufacturer blamed the advertising, although no change had taken place in the copy. This agent was a man of unusual courage and intelligence and decided to have an investigation into the matter. The investigation revealed that not only was the selling end badly organised, but the product itself was faulty. The agent relinquished the account, and in a few months the firm manufacturing the product went into liquidation.

(2) RESEARCH APPLIED TO THE PUBLIC.

This is the aspect of advertising research which has so far received most attention in this country, not that it has received a great deal in relation to the need that exists. It has to be approached from two directions, (a) Statistically and (b) by direct interviewing, or correspondence.

(a) This is a study of the population by area, by class, by occupation and so on. In the case of industrial and technical products it will mean a study of the numbers engaged in various industries, output of products, kind of plant used, etc. The census returns are a perfect mine of information about the population, by age and sex, married and unmarried, living in this size of home and in that, engaged in this kind of occupation and in that, and so on. The census of production is also valuable, at any rate that part of it which has been published. There are numerous other sources of information, trade papers, daily papers, government returns, year books, company returns, text books, etc.

(b) This is a more intimate study of the public with special reference to the product to be advertised. The method I have found most efficient and economical is direct interviewing of dealers and consumers, especially the latter. My experience in this field has been most encouraging and I am convinced that there is no more valuable form of advertising research than that of getting direct to the consumer. In America they seem to secure fair results from questionnaires sent by post. I have found this method both costly and inadequate in this country.

Field investigations, to use the term generally applied to this kind of research, are as varied in their object as the products on behalf of which the research is being conducted. I have organised over 50 field investigations this year and they have all been different. Speaking very

generally, the objects of field investigations are to arrive at an intimate knowledge of the consumers' needs, desires, preferences, prejudices, buying habits, attitude to price, quality, flavour, colour and packing, attitude to sources of supply, i.e., private dealer, co-operative stores, chain stores, etc., inducements to buy in the first instance, i.e., advertising, window displays, dealer recommendation, neighbours' recommendations, etc., uses to which the product is being put (see my recent article on "Securing New Advertising Angles"), sizes of units in which the product is being bought and so on. I have given examples of field investigations in previous articles contributed to "Business Organisation."

(3) RESEARCH APPLIED TO ADVERTISING MEDIA.

This application of advertising research has been sadly neglected in this country. This is an amazing fact, for one would have thought that research into media would have presented itself to advertisers and advertising agents as a vital necessity, instead of which they have, for the most part, rested content with what the publishers have deigned to tell them, about their circulations, and little enough about who reads their publications do publishers know.

Research into media circulations presents no insurmountable difficulties, as I have had every opportunity of proving during the past few months. My investigators have interviewed 20,000 housewives to find out what is read in the home. In all 38 areas in England and Scotland were covered and the results have been analysed according to class of reader (middle, lower-middle and working) and area. A report will be published in a few weeks which will give details of the circulations of every newspaper, periodical and magazine of any importance in the country. The report will be published in a volume of some

BEST OF ALL

Columbia

RIBBONS AND CARBON PAPERS

**For every need
and Guaranteed**

From all Dealers and Stationers, or
COLUMBIA RIBBON AND CARBON MFG CO. LTD.
Classic House, 22 Bush Lane, London, E.C.4.

200 pages. This investigation has kept 20 investigators and 4 analysts busy for several months, but the results prove once and for all that Press circulations can be analysed.

The Press is not the only advertising media which can be investigated. Window displays and posters, at any rate so far as results are concerned, are capable of analysis. As the outcome of a window display competition organised by a well known periodical, firms who are participating have been disclosing the results in the form of percentages of increased business, in some instances as high as 50% and in one instance over 50%.

I was reading recently of an interesting poster test. A manufacturer of a product had a large poster displayed on a hoarding opposite one of his own retail shops, sales were keyed for the month during which the poster was displayed and were compared with the sales of the previous month and with the sales of the corresponding month of the year before. A marked increase in sales were noticed.

In conclusion I should like to say something about submitting copy and posters to the judgment of the public. Some advertising authorities

seem to consider this a profitable form of research and are prepared to base their policy on the results. I consider this a most dangerous practice, as the results are generally misleading. This has been amply proved by the results of the poster competition which was held during the Advertising Exhibition. I have seen the same thing happen when a series of Press copy was submitted to the judgment of the public. The reason for this form of research proving misleading lies in the fact that the attitude of mind which is critically considering Press copy or posters with the object of selecting the "best" is a totally different frame of mind from that which is influenced by advertising to go out and buy the product advertised. In the one instance the individual is thinking about the copy, in the other the individual is not thinking about the copy at all, but about the product and the satisfaction of a desire to possess it. If in the latter instance the individual thought of the copy he would probably end up by not buying the advertised article at all. If he thought of the copy he would think how clever it was, that its object was to induce him to buy, and that I believe would set up a resistance which would end in his not buying the article after all.



How long does it take You to seal 300 letters?

You can do it in
1 minute

with a

STANDARD ENVELOPE SEALER

The Machine which is used all over the World by Government Departments, Banks, and large and small concerns generally.

The most widely used machine of its kind on the market. Seals simply, safely and cleanly. Motor or hand models for every Mailing need. All models except Junior F equipped with famous Standard Suction-feed moistener.

Price: £16 - 0 - 0

Other Models from £10 - 10 - 0

STANDARD MAILING MACHINE CO.

Faraday House, 8-10, Charing Cross Road, London, W.C.2

'Phone: Regent 6866

The STANDARD STAMP AFFIXER

SAVE TIME & LABOUR
ON YOUR POSTAGE

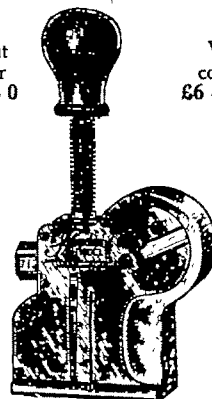
No more letters returned for postage
No loose stamps left around the office
but complete protection for your postage
and, if required, a mechanically certain
record kept.

Only two moving parts. Uniform
moistening of entire gummed surface.
Does not cut or tear the stamps.

**Guaranteed for
12 months.**

Without
counter
£5 - 15 - 0

With
counter
£6 - 10 - 0





Commonsense Methods of Business Building.

By CUNLIFFE L. BOLLING,

Author of "Commercial Management," "Sales Management," etc
Lecturer in Salesmanship and Advertising to the Polytechnic, London, W

XI.—How to Employ Salesmen.

In this series of articles Mr. Bolling has already dealt with many problems of sales management and advertising. The articles to come will deal with salesmen, agents, showrooms, exhibitions and other important factors in business building.

THE salesman's task is to establish and maintain personal contact between the house he represents and its customers and prospective customers—a personal contact that is an essential factor in business.

SALESMEN STILL ESSENTIAL TO BUSINESS.

The development of advertising, particularly the distribution of sales literature through the post, has *supplemented* the salesman but it certainly has not *supplanted* him and probably never will be able to do so with complete success in any trade.

Sales literature may be sent directly through the post to a person known to be interested in the article offered and the sales arguments may be so well presented that the recipient is made to ask himself "Why don't I sell Jones' soap?" or "Why don't I use a Robinson delivery van?" He may even be induced to send in a reply post-card asking for further information about the article offered to him.

Sales literature can be powerful enough to do all this, but it is a severe test and a very large number of business houses are in the position of having an offer of service that is difficult to make

in this way or of lacking the skilled advertising man who can produce the sales literature.

BUYERS WHO IGNORE SALES LITERATURE.

There is the further point that many buyers cannot be induced to reply to sales literature under any circumstances. These men and women seem to be prejudiced against the printed word. They can be said to buy with their ears, in contrast with the majority of people, who are more likely to be impressed through their eyes.

The sales literature that is not sufficiently powerful and direct, and therefore does not make a personal appeal, will go right over the heads of the recipients. It may make them think about the article offered, but in a detached manner. They will not imagine themselves using or selling the article and then come back to earth with the question "Why not?" (This is the finest thing that sales literature can do and only the finest sales literature can do it.)

The appeal that just misses may actually make John Jones the butcher feel that a "Toottrue" weighing machine is a good thing for a butcher to have, but fail to make him feel that it is a good thing for John Jones. There is a world of difference in this.

WHEN THE SALESMAN IS NEEDED.

At the latest the salesman's personal visit is called for when the prospective customer replies to sales literature. Even the business man who hates and despises salesmen (because he does not know how to employ them) will hesitate to rely upon correspondence to answer a prospective customer's enquiry.

In the vast majority of cases, however, the salesman's visit is necessary very soon after the first batch of sales literature has been sent out. His visit is necessary in case the sales literature has failed to get into personal touch with the buyer, in case the buyer, though interested to the point of replying, has been too busy to reply to it and in case the buyer is unapproachable through the eye.

The salesman may not be able to present his sales arguments to a new prospect in any more personal manner than can the best of sales literature, but he has the advantage of being able to catch and use the buyer's reaction, to open up a conversation and the interchange of ideas and to bring in the points in favour of the article offered that are of interest to the particular buyer but may have been crowded out of the sales literature.

In the preparation of nearly every piece of sales literature, however large, some sales arguments have to be left out and it may easily be that these omitted arguments would convince some of the recipients who afterwards throw aside the literature.

WHERE SOME SALESMEN FAIL.

It must be admitted that all salesmen do not possess the essential talent of being able to get into personal contact with the buyer. Some of them are more likely to go above the buyers' heads and worse still, to antagonise him, than the poorest piece of sales literature.

The first principle of salesmanship is getting into personal touch with the buyer as quickly as possible and skilfully guiding the conversation to the best advantage so that the points that interest the particular buyer are brought out and gently pressed home at the proper time. There is no forcing to be done—this is the art of *helping the prospective customer to buy*.

SALESMEN AND THE PROSPECTS RECORD.

In my article in "Business Organisation Magazine" for November I described methods by which a sales manager may build up a classified list of persons or firms who are likely to become customers of his house.

When the sales and publicity departments work in close co-operation, as they should do in every business, this list of prospective customers will form the directory for the distribution of sales

literature and for the planning of the salesman's calls. The sales literature should go before the salesman, preparing the way for him, and after the salesman, following up the advantage he has gained and maintaining the close contact which he has established.

The salesman has the responsibility of assessing the value of the prospects he is given the opportunity of dealing with. Every time he makes a first call upon a new prospect he has to say whether or not that particular name and address should be kept on the mailing list, and if he does report the prospect as a promising one he should have to fill up a printed information form in which he classifies the prospect, says whether any special line of action is called for in dealing with it and gives full particulars of the prospective customer's business.

Once the salesman has made his visit, the prospect should become something more than a name and address, from the point of view of the sales office.

THE " PROSPECTS " INFORMATION FORM.

The form used by the salesman in sending in information for the prospective customer's record will naturally vary a great deal between different classes of business houses in different trades, but a specimen that will give a general idea of the kind of form employed is given below

Information required for Prospective Customers Record

(To be completed by salesman after first call)

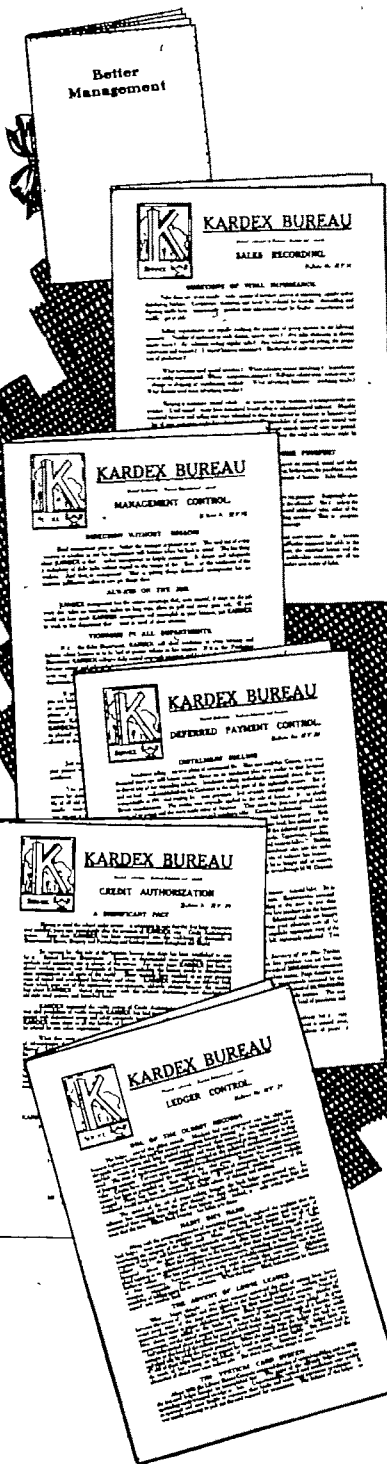
Full Name *William Henry Jones*
 Individual Partnership or Company *One man business*
 Complete address *527 Red Lion Road, E.27*
 Description of premises *Large double-fronted shop*
 Other addresses *Branch at 721 High Street, E.28*
 Associated concerns *Jones & Evans of Stratford*
 Trade and class *Grocers—High class*
 Name and position of buyer *E. Morgan—Manager*
 Which salesman to call *Self*
 Interval for calls *One month*
 Delivery methods used *2 tricycles and 1 van*
 Vans in use *"Quicksure" 1 ton*
 Chance of doing business *Fairly good*
 Points in our favour *Must improve delivery methods soon*
 Difficulties to be faced *Reluctant to spend money*

Recorded by
A E W

Classification
*East London
Class B*

Howard Brown
Salesman's Signature

Date *December 27th, 1927*



500,000

businesses, like and unlike yours, have ceased wasting time trying to invent solutions to management problems already solved.

They draw on the funded knowledge behind the KARDEX organization. For this they pay no fee nor incur even a moral obligation. Neither need you.

Admit the limitations of even the widest PERSONAL experience and remember that the experience of KARDEX is as many-sided as business itself.

The KARDEX Research Department, with first-hand experience of hundreds of difficult problems solved with visible and analysed records, is yours to command.

Perhaps KARDEX can help you too. As the first step to finding out, write on your business heading for any or all of these FREE brochures.

KARDEX

(British Concessionaries
PARKER, TURNBULL & Co)

125 HIGH HOLBORN, LONDON, W.C. 1.

SERVICE BRANCHES THROUGHOUT THE WORLD

This particular form is designed for a commercial van builder's business and therefore calls for information as to the delivery methods used by the prospective customer and the vans he already has in operation. A house selling any kind of equipment should always record the similar equipment already in use by the prospective customer, or his lack of same.

If a house is selling merchandise for resale the form should state which competitor's lines, if any, the prospective customer is stocking and in what quantities he appears to be buying them.

It will be noticed that the specimen form given asks the question "Which salesman to call" and that the intervals at which calls are to be made is to be stated. This is because the house in question is selling an occasional requirement of buyers and not merchandise for resale. In such cases it may be necessary to have certain specialist salesmen deal with certain types of buyer—"territories" cannot be given exclusively to the salesmen—and as it may be necessary for a salesman to spend a considerable amount of time with a hot prospect, regular "journeys" are out of the question.

THE "PROSPECTS" RECORD.

The particulars given by the salesman on the form are usually typed on to the card which is used in the card index of prospective customers, the card being worded (printed and completed) in exactly the same way as the form.

It is a good plan to send the form back to the salesman when the card has been made out. This gives him a copy of the record to refer to in case of need and enables him on subsequent visits to check the information recorded and advise the office of any necessary alterations.

A comprehensive and accurate prospective customers' record that will prove an introduction to all and any of the people who are likely to deal with the house is a priceless asset to a sales manager.

It is a most extraordinary thing that so many business houses in this country are content to leave all the vital information about their prospective customers in their salesmen's heads so that when a salesman dies, is ill, goes on holiday or leaves the employ of the house, practically nothing is known about the people he has been trying to make into customers. Some houses might have had ten different men working on a territory and yet have no prospective customers record, with the result that the eleventh man going on the territory would have little or no information to go upon and would be compelled to start at the beginning just as though he were breaking new ground.

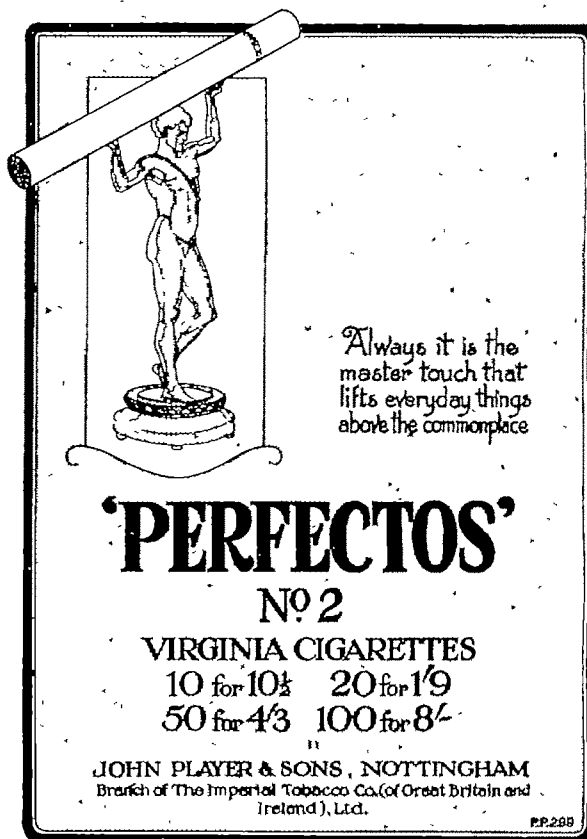
If readers will study the specimen information

form given they will realise what a great help such information is to a salesman taking over another man's calls. Imagine you were told to call on "W. H. Jones of 527 Red Lion Road" and sell him a delivery van without having any particulars at all about him and then read the form and think what a difference having this information would make.

RECORD CUSTOMERS ALSO.

In the case of customers, the sales ledger gives some record of the people with whom the house has already dealt, but the average sales ledger gives very little of the information that a salesman requires and there is need for a section of the prospective customers record to be devoted to customers.

The distinction between a prospective customer and a customer is worth a moment's consideration. A customer is actually a prospective customer who has dealt with the house. He still requires to be treated as a prospective customer—to be called on by salesmen and to receive sales literature—but he needs to be treated in a somewhat different manner. The appeal made to him by the salesmen and sales literature must be to deal regularly with the house and *sell* or *use* its



Always it is the master touch that lifts everyday things above the commonplace

'PERFECTOS'
No 2
VIRGINIA CIGARETTES
10 for 10½ 20 for 19
50 for 4/3 100 for 8/-

JOHN PLAYER & SONS, NOTTINGHAM
Branch of The Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

PP.288

products, not merely to place a trial order or buy its products.

Some sales managers, who do not keep proper records of their prospective customers and customers make the excuse that their salesmen will not send in the information required.

This is only an excuse and a very poor one at that. It is true that the salesmen employed by some houses are reluctant to "fill up forms" but this is merely because they have been allowed to adopt the wrong attitude of mind towards this essential part of their job. They consider themselves to be merely filling up forms instead of doing something that will be of assistance to them as well as to their house. If a business house is to build up a reliable and comprehensive record of its prospective customers this must occasion a certain amount of clerical work for its salesmen, but the salesmen benefit very considerably by this.

HOW THE SALESMAN BENEFITS.

In the first place the salesmen have the great advantage to be derived from the sales literature going out to the prospects in their territories at regular intervals. This literature will sustain and increase the interest they have created so that their prospective customers learn more and more of the service given by their house, and their customers are encouraged to deal directly with the office and so relieve them from making routine calls at too frequent intervals.

In the second place, the sales office can refer to the record if they wish to find out something about a customer or prospect and do not have to bother the salesmen with questions.

In the third place, the salesmen have the benefit of the record as an index to the prospective customers on their territory and if their memory should fail them they can refer to the record. A salesman needs a good memory and should do everything he can to develop one, but he must not despise the prospective customers record which is really a filing system—his filing system.

Memory plays strange tricks with a salesman, possibly because he has to concentrate so much upon each day's work. If you mention "Browns of Manchester" to him and this is one of his customers or "hot prospects" he will probably call to mind everything he needs to remember about them, but if no-one mentions "Browns" to him he may quite easily forget all about them and lose orders through doing so.

If these advantages are fully explained to each salesman and the work of sending in the information is made as simple as possible, there is not likely to be much objection to the filling up of forms. Printed forms are only used for the purpose because they make the salesman's task easier and the office is given the same essential details about every prospect.

Commonsense Methods of Business Building.

By CUNLIFFE L. BOLLING.

Enquiries are continually being received for back numbers of "Business Organisation and Management" containing Mr. Bolling's earlier articles, and for the convenience of readers who would like to have the complete series we give an order form below.

Each of the articles in this series deals with a subject of vital importance to business men and all of them are good—written in the same practical, helpful and lucid style as Mr. Bolling's contribution this month.

To Business Organisation, Ltd.,
Granville Chambers, Bury Street, W.C. 1

Please send the following copies of "B O "

Month.	Mr. Bolling's Subject.	At 1/2 each post free
Mar.	How to develop successful trading lines	c d
Apl.	How to market trading lines	
May	How to fix selling prices	
June	How to grant credit	
July	How to make regular customers	
Aug	How to conduct press publicity	
Sept	How to handle press advertisements	
Oct.	How to conduct outdoor publicity	
Nov.	How to conduct press publicity	
Dec.	How to produce sales literature	

I enclose Postal Order for £

Name

Address

In next month's article Mr. Bolling will deal with salesmen's reports and methods of planning salesmen's calls and journeys.

Making a Trade Mark Symbolise Goodwill.

By O. RIVINGTON.

(All Rights Reserved.)

What's in a Name? It all depends upon the mind behind it and the goodwill inherent in the article which bears it. Mr. Rivington teaches in these "Goodwill" Series that the only limit to goodwill in business is the attitude of the mind towards it.—EDITOR

IMMEDIATELY a manufacturer's well planned efforts begin to promote the flow of goodwill, it becomes necessary to keep open the sources of that goodwill. It was recognised about 70 years ago, that a manufacturer needed something to symbolise himself: to give sequence to his publicity work, and set up a mark of recognition for consumers whose goodwill had been won. Like most things that we accept as institutional, the idea was evolved by private purses. On the sacrifices and foresight of those early pioneers has grown the sanctity and individual rights of trade marks' law.

History gives us numerous similar instances of individuals and societies who have moulded opinion. The lasting effects of their work, and the extent of their achievements have been gauged by the services given for the common good. If modern commerce is to persist it must follow the same ideals.

PRO BONO PUBLICO.

The public, whom we serve, may not know how beneficent the law is to Trade Mark owners. They only learn to look upon the trade mark as a symbol, either to trust, or avoid. Just as men, or institutions build up names which are loved or hated, a business does. If the magnetism of confidence is invested in a Trade Mark, its strength and value will grow. According to the measure of faith we can command, does the confidence of those we serve, increase.

In itself a trade mark is nothing. The few arbitrary lines in the design, and the cost of its registration may have been only a few shillings. It is public estimation that makes its value. The Enfield "Made like a gun," the Black Cat of a certain cigarette, the bouncing pneumatism of Bibendum, the "Terry" grip of the spring, and many others, have earned their Midasian valuations because of the service they guarantee.

A Trade Mark cannot endure if the consumer's realisation falls short of the anticipation built up on the advertisements. Hence the need for putting a business on a Trade Mark basis. It is rather surprising to find manufacturers putting more faith into the Trade Mark and the advertising that makes it known, than they do in the intangibles of goodwill.

Mass production can only exist when balanced by mass distribution. Many hands control and many opinions can influence the goods as they pass from producer to consumer. The vastness of the operations and the lack of control at many points makes it essential that the consumer be taught to identify the manufacturer's goods, when the first sale is made. The law of the profits is, that the consumer shall identify and have confidence in the goods he buys. These conditions are largely under the control of the manufacturer.

TRADE MARK INDIVIDUALITY.

Products gain in individuality when trade marked. The trade marked article often makes such a strong appeal that a consumer will go to extraordinary trouble to get it. So deeply entrenched is goodwill in these cases, that the changing of a buying habit becomes a matter of concern for the consumer.

Sometimes the trade marked article costs more than competitive lines, yet it is preferred and bought. How it is that a mere symbol, of little intrinsic worth can suspend economic laws, has been explained in a previous article on "Advertising and Goodwill." The fact that it does so is one of the few certainties of advertising. Not only does a trade mark seem to put a fence around the article, it seems to put a halo around it too.

Trade Marks are a connecting link between an established source of supply and demand. Before the system came into use, the merchant controlled



SPRING FAIR, 1928.

4th to 10th MARCH, 1928.

VISIT
The Largest and Greatest International
Sample Exhibition in the World

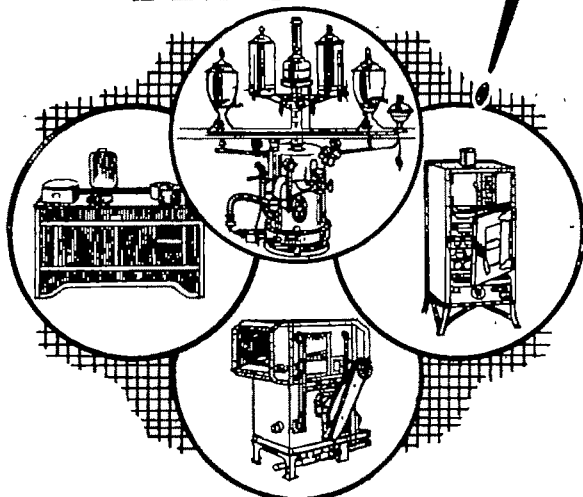
The best market for placing your requirements.
More than 1,600 different classes of goods displayed.
10,000 Exhibitors from 21 countries.

For full particulars and illustrated booklets apply to—

THE OFFICES OF THE LEIPZIG FAIR :
No. 1, GOWER STREET (Corner Bedford Square), LONDON, W.C.1.

No. 166, BUCHANAN STREET, GLASGOW, C.1.
or to
THE LEIPZIGER MESSAMT, MARKT 4, LEIPZIG.

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**and will not prove
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*Efficient Works Canteen
Equipment is ever
an asset.*

A Self-Supporting Canteen does more than provide Wholesome Foods and Liquid-Refreshment at a nominal cost—it is steadily building up goodwill. Each piece of Equipment proving itself an indispensable asset. Such Equipment is

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CANTEEN EQUIPMENT, ETC.

Whether you are re-equipping an old canteen, planning a new one, or just thinking it over, you should keep the STILL catalogues handy. A complete range will be sent gladly upon application to

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markets and mills also, even as he does to-day, where the manufacturer is content to evade the responsibilities of marketing.

THE TRIPARTITE ENTITY.

Now the manufacturer does not cut out wholesaler and retailer, but when he is established they come to him. He reveals himself as maker, and identifies himself with the consumer. Wholesalers and retailers willingly co-operate in the work of distribution when the manufacturer controls demand. If the manufacturer supports his mark with all the elements of goodwill, it will be accepted as a symbol of goodwill by the public, and distributive agencies.

A trade mark does not claim any monopoly of manufacture, but it does the right to distinguish certain products. The right to claim a trade mark depends on priority and continuity of use, more than precedence in designing. When claimed successfully, its validity depends on use. Claim must be based on priority of use, in some method of advertising and be dealt with through the Patent Office.

GOOD FAITH.

The purpose of a Trade Mark is to denote source of origin. Advertising can tell the story of the goods—the trade mark acts as a medium to tie up manufacturer, advertising, product and public, and as a guarantee of good faith. It is advisable to adopt one mark for the whole of the goods manufactured. The more marks a manufacturer has, the more difficult it becomes for the public to recognise, and identify product with manufacturer.

Right through the ages, there has been pride of craftsmanship. The desire to secure the advantage due to good service is older than modern civilisation. An early drinking cup, believed to be Phoenecian, has inscribed upon it "Made by Ennion, Let the buyer remember." And it is said that the X's on barrels of beer, originated from the time when Monks were the brewers. The X's were to denote that the Monks had sworn to the power of the liquid in the barrel.

MEDIEVAL STRICTURES.

In the 13th century every smith had to place a special mark on his workmanship, to classify his work. Later, gold smiths, cloth makers and printers came under the same strictures. Industrial history also records the fact that each workman had his own mark, which he was compelled to put upon the goods he made.

At this time measures of protection were extremely severe. It was a legal punishment to cut off the right hand of a dishonest user of someone else's mark. At other periods capital punishment was the penalty. No one was

allowed to lend his mark to another. Even the Knights of the Middle ages went to law to prove priority of use, and to protect the heraldic devices they adopted.

LEGISLATION.

Our present system has thus been an ideal for ages. Its foundations were laid sometime in the 17th century, but for nearly 100 years, the right to punish trade mark pirates was opposed by Parliament. The "Merchandise Acts" of 1862 were looked upon as the first legislation on the subject. This Act was rather loosely constructed, and even as late as 1876 there existed and worked a private society which strove tirelessly to bring forward the remedies that trade required. Legislature passed in the year 1905 brought the subject down more to the need of the time.

There are several pitfalls into which the designer of a trade mark may fall, and expert guidance will enable the tyro to avoid them. At the beginning it is well to know what a trade mark should be, and also what it should not be, in order that it may be successfully held. As briefly outlined above trade mark law has been built up at great cost. The verdicts and judgments upon which it is based are the promulgations of learned judges. Therefore it is advisable to read the Acts of 1905-1919, and subsequent additions before spending any money on establishing a trade mark.

SPECIFIED CONDITIONS.

Will the idea register? To register, it must contain or consist of at least one of the following essential particulars.

1. The name of a company, individual, or firm represented in a special or particular manner.
2. The signature of the applicant for registration or some predecessor in his business.
3. An invented word or words.
4. A word having no direct reference to the character or quality of the goods, and not being according to its ordinary signification a geographical name or surname.
5. A mark shall include, a device, brand, heading, label, ticket, name signature, word, letter numeral, or any combination thereof.
6. Any other distinctive mark, but a name, signature, or word or words, other than such as fall within the descriptions in the above paragraphs. 1, 2, 3 and 4 shall not, except by order of the Board of Trade, or the Court, be deemed a distinctive mark.

Descriptive words cannot be registered. It is well for the dictionary makers that this is so. Had trade mark makers been able to have their way, there would have been no good descriptive

(Continued on p. 243)

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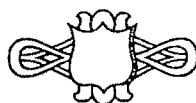
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Nutshell Reviews.



THE policy outlined in this section of last month's issue will find expression in a variety of ways in each successive month. One form of it which will be a consistent feature is shown below. Books reviewed will be those which, in our opinion, embody "convertible ideas" of value to our readers. None other will receive consideration or notice. The number will be increased in future issues, and will include books published all over the world. In the near future we shall publish a list of books obtainable from the offices of B.O.M. All those reviewed may be purchased through B.O. Where desired books will be sent for inspection to subscribers only, postage to be paid by the prospective purchaser. Impartial advice upon the selection of books will be gladly furnished upon request. It rests with our readers to make this section a live force of considerable value and service to themselves. There exists no bias in favour of any particular publishing house. The reader's interests alone are our concern, in accordance with the established policy of the Magazine.

Apropos of the remarks made last month by our Special Commissioner it is of interest to record that the Library in the Works is a well established institution in America. In the case of several large companies the reply to enquiries was that experience had proved it to be an absolute necessity, and it was asserted that the libraries are dividend promoters. We shall return to this in more detail later. As our readers are aware, we are all for retaining the British individuality, but that is no reason why we should not profit by the experience of others.

A VERY GOOD HALF OF A VERY GOOD STORY.

Mr. F. Worswick has done a splendid service to the trader by telling us half a story. Let us hope he will soon take his courage in his hands and tell us the other half.

He has shown us in a volume of collected lectures by experts, the possibility of trade within the Empire. The first lecture given by Mr. W. J. Weston, strikes the right note at the start. Britain lives by trade and "there can be no returning to the so-called 'Merrie England' of the manorial period." Later in fine detail is shown what each separate colony can offer to and obtain, from us and each other.

So far . . . splendid. But even in praising a volume which should be in every commercial library, we hold to the great principle which "Business Organisation" stands for: we need to trade with the whole world, and not with a part of it only. Without fear or favour we hope to see our goods going in ever increasing volume to the recovering nations of Europe as well as to the Empire beyond the sea.

Mr. Worswick has done good work. We suggest he should compile a companion volume, "How to trade outside the Empire."

We commend especially the chapter on "The Economic Position of South Africa." With a possible early return to a larger use of gold there,

are ample economic reasons why this trade should be studied by our progressive business men.

"The Economic Resources of the Empire," by F. Worswick, O.B.E., M.Sc., Pitman, 5/-.

PROPHETS WHO LOOK FOR PROFITS.

We almost hoped for a clever collection of good tips: we find a chaste and cautious thing of diagrams and charts in Mr. William Wallace's book on "Business Forecasting." There is not here the atmosphere of Monte Carlo or even of the Stock Exchange, but rather the sombre sedateness of commercial pulse feeling, tabulating and averaging.

The book recognises that there are places where the most orthodox trader must forecast and be prepared for emergencies, and this is a very different thing from that kind of gambling behind the counter, at which some traders burn their fingers, that is known as "buying for a rise."

Just as Insurance is sometimes accused of being a gamble when its true function is to eliminate risk; so the cautious and right kind of commercial forecasting is not speculative . . . it is in fact the very reverse. It is the endeavour to minimise risks by sound forethought and by astute formation of soberly made judgments, on the evidence of acquired fact and the obvious trend of events.

The book is well written and the case well put. We suggest that the introduction should be read with special care and attention.

"Business Forecasting," by William Wallace, B.Com (Lond.), with an introduction by W. T. Layton, C.H., Editor of "The Economist," Pitman, 7/6 net

A PEEP BEHIND THE COUNTER.

Mr. Beable is always delightful and he need scarcely warn us that his book "Behind the Counter" is not a "preachment." But it gets there all the same. It is just the sort of book that a shop proprietor would find was a profitable gift to make to his assistant.

We wrote "proprietor" without thinking, but Mr. Beable assures us that the real "boss" is the customer, and he makes the point rather clear.

"Killing customers" is a breezy chapter. It makes the reader understand why he occasionally finds a shop he never wishes to enter a second time.

Oh the dreadful things an assistant in a hurry can say . . . and all so natural and excusable, but the unlucky point, that Mr. Beable shows, is that though the customer may excuse . . . he usually does not come again.

PITMAN'S BOOKS for the Business Library.

INDUSTRIAL COMBINATION IN ENGLAND

By PATRICK FITZGERALD, B.Com, Assistant Editor of *The Statist*

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"Behind the Counter," by W. H. Beable, Simpkin Marshall, Hamilton Kent & Co., 3/6 net.

NEW METHODS OF DECENTRALISING AUTHORITY.

That the foreman should be a handy kind of buffer or "go between" in a business appears to be a repugnant thought to Mr. Hugo Diemer, for his book "Foremanship Training" magnifies the office wonderfully and shows the need of a rather big man to fill it.

The book should be carefully studied, especially by the directorate of firms with many employees, on whom the problem of deputed authority presses hard.

In many cases a fair objection may be made that Mr. Diemer makes the foreman too big a nerve centre, and places rather too much on his shoulders. But all the duties suggested are, at all events, well worth review, and probably, in different places varying sets of them all might be adopted.

The fear one has about the ideal foreman portrayed, is that he would soon lose his job, because if he could really do all the things stated,

he would very quickly be wanted as a director.
But manufacturers and large employers should read the book.

"Foremanship Training," by Hugo Diemer, McGraw Hill Publishing Co., Ltd., 12/6 net.

THE MATHEMATICIAN IN COMMERCE.

The sound idea of business is to preserve a sense of balance and proportion, and it is consequently good, at a time when many works are appearing on the psychological and human nature aspects of trading, that we should turn to a sound treatise on the mathematical method.

Mr. A. Lester Boddington's book on statistics, as applied to commerce, is such a work. But the writer does not treat us harshly. He makes his figures really interesting, and is at pains to show how they can be applied to quite a number of different problems and subjects of enquiry.

We wish that space would allow us to instance some of these, but it would be unfair to the painstaking author to endeavour to epitomise. We recommend especially chapter 2 of the book for careful reading.

"Statistics and Their Application to Commerce," by A. Lester Boddington, F.R. Stat S., F.R. Ec S., 4th Ed., H. F. L. (Publishers), Ltd., 12/6.

INDUSTRIAL CO-PARTNERSHIP.

The fact that Mr. Charles Carpenter's book on "Industrial Co-partnership" has passed into a fourth edition is evidence of its value to enquirers upon the subject. In this volume a new portion appears as a first chapter, which brings the book up to date.

We realise that Mr. Carpenter states his case with much shrewdness and ability and, could we regard commerce as having irrevocably passed into the hands of syndicates and firms which will retain it for centuries, we should welcome his solution of problems as the best yet given.

But it is precisely because we see business as being in a constant state of flux, with vigorous new forms and enterprisingly novel methods supplanting the old, that we are dubious about the universal wisdom of the employee becoming a part proprietor. In the big established business it may be satisfactory . . . at least in some cases, but in the small struggling concern it can easily draw dangerously near to the "employment with investment" policy.

None the less the work should be read by masters and men alike as an honest and serious proposal well meriting attention.

"Industrial Co-partnership," by Charles Carpenter, C.B.E., D.Sc., M.Inst.C.B., Labour Co-partnership Association. 2/-. .

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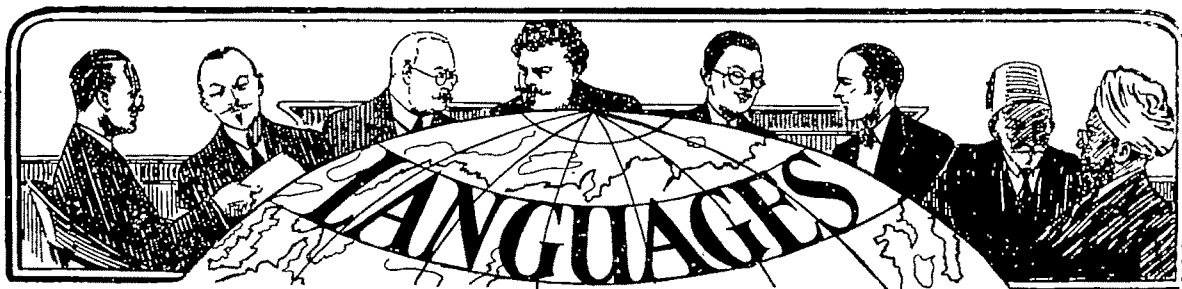
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6, Bouverie Street, London, E.C.4.

THE PRICE OF PROFITS.

It is a paradox, often bitterly realised in practice by the manufacturer of goods, that to economise he must first of all—spend. When an operation or process ceases to be justified by the existing demand, it must be scrapped, involving not merely apparent waste of plant, discharge of labour skilled in a given direction, and therefore of capital value, but immediate expenditure upon replacement together with training of labour in unfamiliar processes. The latter is more costly than is often realised, and represents the temporary locking up of considerable capital. Even so, it is periodically essential in the life-term of all businesses. Germany profited by post-war circumstances and did it on a gargantuan scale at little cost. America has done it even more comprehensively by reason of her unexampled wealth. Competitive factors, each of them for British Industry, which have got to be faced, and Mr. Chisholm has done good service to manufacturers in this country by his book "Simplified Practice." He has marshalled some remarkable data concerning experience in America, and although the truth may hurt, as

(Continued on p 243)



A "B O M" Section to Promote the Study of Languages, for the Improvement
of International Understanding and World Trade

Exclusive to "B.O.M."

By C. W. FRERK,

International Editor, "B O M"

NEW YEAR Resolutions will again be numerous and various, but it would be well to include a resolution to take up the study of languages very seriously during

1928. It is a matter of greatest importance to employer and employé alike, and as this Magazine is published to serve both, it is hoped that this fact will be recognised in both quarters.

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WHY.

The business man or woman who acquires a knowledge of languages becomes an asset of great value to British Trade and Prosperity. "Peace hath her Victories no less renowned than War," and the rapid restoration and continuation of our financial and commercial leadership of the world depend upon the way in which we train for success in the ever-growing international competition between the British Empire and other countries.

The world is spinning fast down the groves of change. The old disorder changeth. Two things stand out in the swift change. Science with all its works is spreading to all lands. The East, led by Japan, is coming into line with

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LANGUAGES

the West. Language is no small factor in bringing nations closer together.

The business man who understands his clients and their wants, the peculiarities in their buying habits and requirements, is the one who has the best chance of securing business. We must understand our clients' psychology, their idiosyncrasies, their ways of business, their motives, plans and aims and objects. This can only be attained by speaking their tongue, reading their books, papers and journals. There is no place to-day for Disraeli's description of us as "*noble barbarians, speaking no language but our own.*"

The business man who is engaged in international trade is well advised to give some inducement to members of his staff who take up the study of languages, for the benefit of his business. Several of the language institutes in this country offer efficient staff-tuition, which our business houses should take advantage of.

1928 will present commercial possibilities of great magnitude in many parts of the world. Requirements for semi-manufactured and manufactured goods are increasing in the Near

and Far East. South America is the commercial *El Dorado*, the commerce of this great and fruitful area of the American Continent is already growing with giant strides.

There are large numbers of business houses whose business is not entirely relative to our islands. They have often branch offices in different parts of the world, while it is by no means uncommon for business to be transacted with foreign firms. It is in such work that the linguist is employed, as Manager, Representative, Traveller, Secretary, Accountant, Shorthand Typist, Interpreter, etc. There are always letters to be deciphered and replied to, and where the replies can be sent in the native language the business reputation of the firm is considerably enhanced.

Before the war much of the trade between Europe and South America had passed into German hands. A Government Committee appointed to enquire into the position of Modern Languages in Great Britain was told that this was "*because the Germans took the pains to learn Spanish.*" And this does not only apply to Spanish, nor is the knowledge of languages useful and essential for foreign

correspondence exclusively. There are the labels, instructions for use, wrappers, packages, etc., which carry the manufacturer's message out into the world's markets; they do not remain in the hands of the wholesale importer or general agent-distributor, with whom you may be able to conduct your affairs in English. They pass from his hands into those of sub-agents, retailers, consumers, all potential clients whose satisfaction leads to repeat business, which can be stimulated by your messages in their native tongue. There is much too little attention paid to these outlets and labels, which are carriers of publicity in no lesser degree than advertisements in the Press or posters on the hoardings. They have their own sphere of action, right among the actual users of your products. Misunderstandings, creating dissatisfaction, and thereby spoiling the chances of repeat orders, can be avoided by printing these labels, packages, etc., in the language of the country of destination.

We know of one London manufacturer who has his labels printed in 28 different languages. The translations cost him nearly two hundred guineas; but he says it was well worth the price. The business resulting from his progressive method of tackling foreign markets, has compelled him to increase his works, and add four linguists to his staff, besides having regular translation work in lesser known languages done outside.

A "B.O.M." COMPETITION.

The publishers of this Magazine are always anxious to carry out, not only theoretically but also in a practical form what they advocate. We have, therefore, decided to encourage the study of languages by a regular simple monthly competition, particulars of which are set out on page 239.

WHICH.

In our previous issues we gave some details of the relative values and distribution of various languages, and emphasised the necessity for specialisation also in the study of languages. We showed that English, German, Spanish, French and Italian are the most widely spoken languages, and discussed the merits of German and French from the commercial and social point of view. In following paragraphs the origin and merits of Spanish and Italian are discussed, and it is hoped that the review of these two beautiful and at the same time useful languages will be found both interesting and helpful to the would-be linguist.

"THE BEST IN THE WORLD."

Naval Commander's Tribute to New Method of Learning Languages.

"I may say that I learnt Spanish by your method and am convinced that it is the best in the world" (S.M. 188.)

So writes a Commander R.N. regarding the new Pelman method of learning French, Spanish, German and Italian without using English.

This remarkable method is revolutionising the learning of languages throughout the English-speaking world.

Indeed, its success is so great that it is making the old saying that British people "cannot learn foreign languages" sound absolutely ridiculous.

Even people who were never able to "get on with languages" before are now finding that this method enables them to learn a Foreign Language with the greatest facility and within a very short time.

General Sir Aylmer Haldane, G.C.M.G., K.C.B., D.S.O., writes: "The Pelman method is the best way of learning French without a teacher."

Here are a few more examples of the letters now being received from those who have learnt French, Spanish, Italian or German by the Pelman method:—

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"I am delighted with the (Spanish) Course. It is a most ingenious and efficient way of teaching languages." (S.W. 380.)

"I am extremely pleased with the (Italian) Course. I found it of the greatest possible service to me during a recent visit to Italy." (I.T. 127.)

"I have only been learning German for four months, now I can not only read it but also speak it well." (G.M. 148.)

This new method is a direct method. It enables you to learn French in French, German in German, Spanish in Spanish, and Italian in Italian, and without the use of English. Yet it is so simple that even a child can understand it.

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We can but repeat once more that the question of which languages to learn is one for individual considerations. There are many people anxious to learn languages, and they should specialise in many different tongues. We want translations of Turkish literature direct from the original language, and not via French or German, otherwise we offer our readers talmi instead of gold. The strong position which English occupies in the world should be protected and preserved by specialised study of languages. The knowledge of languages brings profits in all activities. British business men must be able to go out into the world, and talk to the various nations in their own individual languages. There is every reason that British business men who have close and constant business relations with Egypt or India, should make it their duty to learn Arabic or Hindustani. There are immense trading potentialities in the interior of both these countries, where the native merchants are not always acquainted with English.

English or French may be useful intermediary languages in many countries, but to get at the heart and soul of a foreign people you must exclude the dragoman, and this applies also with special significance to all Spanish and Italian speaking people, whose true character can only be penetrated and whose friendship be secured by talking their own tongue.

SPANISH.

THERE are far too many people who attempt to use French in their relations with Spain and Spanish speaking countries. Spanish takes the fourth place among the languages spoken in Europe. Outside Spain it is spoken in the South of North America, in Central America, and in the greater part of South America, in the West Indies, the Philippines, and in North Africa. As a commercial language—especially in view of Great Britain's great efforts to get a firm footing in the South American markets—Spanish is of tremendous importance. Spanish literature is among the most beautiful and richest; we need but mention the world-famous novel "Don Quixote."

Like all the Romance languages Spanish is a daughter of the Latin, the language of the Romans. However, the Romance languages do not originate from the classical Latin of Cæsar, Cicero, Livius, Tacitus, but from the Latin of the common people, known as Vulgar Latin.

Whenever the Romans conquered a country they made it a Roman Province. They installed

Roman officials, left a large contingent of Roman soldiers behind, and also sent Roman settlers into the newly conquered territories. It is due to this influence of all these Latin speaking elements that the local language was increasingly replaced by Latin, from which originated the various Roman dialects, in the different Roman Provinces.

The original inhabitants of the Iberian Peninsula were the Iberians, who belonged to the Aryan (Indo-European) race. The rich treasures to be found in the mines of the Peninsula attracted many different peoples to Spain, the Phoenicians, Greeks and Carthaginians. After heavy fighting in the Punic Wars, the Carthaginians had to retreat from the Romans who then occupied the whole of the peninsula with exception of the North Coast. Here in the North the language of the Basques has been preserved; in the Basque language the elements of the original Iberian may easily be recognised.

During the great migration of people Teutonic tribes also migrated to the Iberian Peninsula, and left traces of their languages behind.

Of considerable influence on the language was the invasion of Arabs and Moors from Northern Africa, who became masters of the country, after their victory at Xeres de la Frontera, the present-day Jerez (711 A.D.). A flourishing period set in, an era of great cultural development, which was, however, set back after Ferdinand of Aragon, and Isabella of Castile (1492) dispelled the Moors. America was discovered in the same year, and in the following century, under Charles the First, the country again went through a period of great success, which was, however, not lasting. Thousands of Spaniards went across the Ocean, attracted by the treasures in the newly discovered lands, and thus withdrew the best labour from their native country. Industries and agriculture of Spain were neglected, and also the outlying colonies were all too soon lost, although—and this must be emphasised—there could not be stronger ties of friendship and commerce between countries to-day than those which exist between Spain and Latin-America.

It is evident then that the Spanish language is chiefly of Latin origin. Spanish is a language of great beauty and flexibility of expression, and not difficult to learn. Anyone with a knowledge of Latin, or one of the other Romance languages, French or Italian for instance, will find the study of Spanish exceptionally easy. Spanish is also a language of great practical value.

There are a number of dialects in Spanish, due to Spain's historic evolution out of a number of independent Kingdoms. Gradually, however, Castilian became the official language of Court and country, and the languages of the other provinces, Asturian, Leonese, Aragonese and

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5989 & 1570.

Andalusian, remained mere dialects. The Spanish of to-day, therefore, is the development of Castilian, which explains why the Spaniard, when speaking of his language, seldom uses the word "español," but almost always "castellano." He will say "*Habla Vd. castellano*" rather than "*Habla Vd. español?*"

We hope to have shown by this somewhat lengthy but interesting résumé of the history and evolution of the Spanish language and its distribution and position in the world that it is a language which should be given considerably more consideration and attention than has been done so far. There are fewer English people speaking Spanish as compared with French and German, which should be an inducement to learn Spanish, to those who are undecided as to which language they should study.

ITALIAN.

ITALY, the sunny country of the South, has always attracted the people from the North.

Every year thousands of tourists, holiday makers, and lovers of beauty and music visit Italy. Among modern nations, Italy has, especially since the war, made great and successful strides in industrial and commercial developments, and plays an important part in Europe.

A knowledge of the Italian language is, therefore, of great value not only to pleasure seekers, but also to business people. Among all languages Italian is said to be the most melodious; hence its international use in music, and its immense advantages to all students and lovers of music.

As in the case of Spanish, Italian originated from Latin, the Vulgar Latin to be correct, which was the language of the Romans who then inhabited the Italian peninsula; Vulgar Latin spread throughout the country, but it changed in proportion to the distance from the centre of the Latin world—from Rome. These differences of the various dialects multiplied more rapidly in

Italy than in any other country. Outside influences, the Teuton invasion for instance, also contributed to the marked change of the language from the original Latin. With the fall of the Roman Empire the use of Latin became utterly neglected, and many new words and expressions were introduced which ultimately changed the language into what we know as Italian.

With the close of the first millenium the evolution of the various Italian dialects from the respective Latin dialects was almost completed. At the beginning of the thirteenth century the language of the inhabitants of Southern Italy and Sicily was already so rich in expression that an Italian literary language was adopted which was quite adequate for the use of the people in those parts.

However, it was left to DANTE ALIGHIERI to bring the language of the people to maturity. With his masterpiece, the *Divina Commedia*, he became the real founder of the Italian spoken and written language. In the same century PETRARCHA wrote his immortal poems, and BOCCACCIO his *Decamerone*, which has been preserved until our time as the unequalled masterpiece of Italian prose.

The Italian language has remained what Dante and his followers made it. At the same time various dialects have remained which are still spoken to-day.

With the preservation, for centuries, of Dante's Italian and of a number of dialects, the people of Italy naturally also retained many distinct characteristics of their own. Although they may emigrate into all parts of the world, the Italians retain for generations the character and peculiarities of their native race and country. To understand the Italian people, their ways and line of thought, without speaking their tongue, is almost impossible.

If you wish to derive full benefit from the beauty of the country, the intercourse with its people, do not fail to learn Italian.

The knowledge of Italian is the key to a wealth

of enjoyment, pleasure and culture, well worth every effort spent in attaining proficiency.

HOW.

We are living in a period of rational progress and revolutionising changes, and this applies in no less degree to the study of languages.

The methods represented in this section are the results of going and changing with the times. They have dispelled the horrors of the old scholastic methods of instruction; they spare us the drudgery of memorising grammatical rules and long tables of words, *ad infinitum*. They no longer attempt to make teachers of languages of us, but practical users of the languages we learn.

Just think of what the study of a language meant but a few years ago, or, better still, try to make "heads or tails" of such rules as the following:—

"The *absolute accusative* in connection with a *past participle*, rarely with a *present participle*, replaces, within a sentence, the introductory sentence (as do the Latin *ablativi absoluti*), but can only be used when both sentences have different subjects."

We fail to understand how pupils were expected to learn to speak and use a foreign language by these super-scholastic methods which could but make the student despair in agony, anxiously waiting for the relief which the end of the school hours would bring him.

There is no need for such ancient ways, nor room for them either. Time is money—we have more definite, more practical aims in view when we decide to learn a language, and the quicker we reach the goal we set ourselves the better. We do not wish to talk about "*philosophische Betrachtungen über Abnormalitäten in den Charakteren Napoleons während seines fatalen und für die gesamte empirische GeistesEinstellung in Europa ausschlaggebenden Rückzuges über die Neva*," but aim at "*la restauration des relations commerciales et économiques entre la Grande-Bretagne et les pays étrangers et d'outre-mer*."

Rapid progress and an early practical use of the foreign language must, therefore, be the chief object of any modern method of language instruction.

ORAL TUITION.

We fear we may have been misunderstood last month when we discussed the chief points in favour of the *Hugo's Oral Language Tuition*, inasmuch as some of our readers may have drawn the conclusion that Hugo's stress the importance of grammar, reading and writing of a language, to the neglect of con-

versation. This is, of course, not so. The word "grammar" was mentioned, but it almost always leads readers to think too much of scholastic methods and drudgery in language study.

What we wished to emphasise was that the student who learns a language by the *Hugo method* is, at a very early stage, in view of the ingeniously arranged lessons, made acquainted with the elements of grammar, although he does not actually know he is learning grammar in the scholastic sense of the word.

Hugo's chief aim is, of course, conversation, and the method is so arranged that the student absorbs right from the beginning of his course those common and every-day phrases and words which enable him to form independently a great number of new phrases and sentences with the limited vocabulary he has mastered after a few lessons.

Hugo's deviate from the so-called "natural or child's way" of learning languages, because they contend that they have to deal with the mentality of the average grown-up who has to be instructed in quite a different, more rapidly progressing way than a child. A child who is learning his native tongue is naturally "all ears" for every new sound or word; he is always listening to those around him, and his mind records all new sounds very quickly, being troubled very little with other thoughts. It is different with the grown-up who wishes to learn a new language. It must be considered that most of the people who study a language do so with a definite economic purpose in view. They have many other cares and thoughts occupying their minds every day, and are generally unable to attend more than two or three language lessons a week. Their mentality is entirely different from that of a child, and this must be taken into consideration.

An invaluable asset to *Hugo* students are *Hugo's* tables of "*French Conversation at Sight*," which are unique in their practical and progressive arrangement. They make the student acquainted with such forms of expression in the foreign language which introduce him immediately to the colloquialisms of the spoken language, and whose actual and various meanings are generally stumbling blocks to language students.

Once these little phrases are absorbed they can be used, with a number of new words, to form a considerable number of sentences in the spoken language.

Let us take a look at one of the French

Conversational Tables. Right at the beginning the student learns:—

Where is? means où est? Is this?—est-ce?
This is—c'est. Our—notre. Your—votre. Their—leur.

On the same page he finds a reference vocabulary, giving a number of every-day words. With the little phrases mentioned above and these or other words the student is at once able to form such common and frequently used phrases as, "Where is our door?" "Is this your parcel?" "Where is their hotel?" "Is this their boat?" "Where is our parcel?" and so on.

If any of our readers will only just analyse a day's conversations in his own language, he will find how frequently such phrases with "Where is?" "Is this?" "This is." "Is it not?" "What is this?" "Where is our?" etc., occur in one's speech, and he will realise then how valuable is this method of instruction which introduces him right at the beginning to daily colloquialisms. Incidentally, these few remarks show what we meant to express last month, namely, that the student of *Hugo's* method is, at an early stage, made acquainted with the rudiments of grammar, although he does not actually notice he is learning grammar. But, and this is what we wanted to emphasise, this subconscious absorption of the elements of grammar (this awkward word can hardly be avoided) makes the student independent in the construction of phrases and sentences, with the additional words he learns as he goes along.

The Hugo teachers pay severe attention to each student's pronunciation, and his self-confident use of the elements of the language he is learning, so that every lesson is always a practical conversational exercise. But, even outside his actual lessons the student finds invaluable assistance in the method. Each new word introduced in the conversational tables is shown with *Hugo's special imitated pronunciation*, which is an excellent guide to the student, enabling him to remember at once the actual pronunciation taught by the native teacher. This imitated pronunciation helps and strengthens the student's memory in the time between the oral lessons so that there will never be a set-back.

How the student gradually attains proficiency in conversation will be seen from our subsequent discussions on this progressive method of oral language tuition.

The *Berlitz Method* is based on the lines by which a child learns his mother-tongue; by drilling the student from the beginning by

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ear and speech, making him understand and speak before reading and writing.

The *Berlitz Method* exercises the student's tongue and trains his ear; it makes him use the language constantly. This method is the alternative to a long sojourn in the foreign country, which is the privilege of a comparatively small number of people, as it is costly and only possible for people of leisure.

The *Berlitz Schools* have laid down three principles to which they strictly adhere, namely:—

- (1) They teach nothing but Modern Languages.
- (2) The Berlitz teachers are natives of the countries whose languages they teach.
- (3) The language being taught is the only language spoken to the pupil during the lesson

From the first lesson the teacher proceeds chiefly with object lessons, extending the vocabulary gradually as he goes along. Reading and writing are introduced only after the first preparatory lessons.

The students are made to imitate the native teacher's pronunciation, and the lessons are entirely composed of conversations in the language.

The grammar is in no way neglected, but it is introduced in a way which does not confuse the pupil. He is not compelled to memorise a large number of rules, but learns grammar by comparisons and examples worked in the conversation. By means of these conversations the student is familiarised thoroughly with the usual forms of expression which may be needed when travelling or during a sojourn abroad.

Berlitz students have a frequent change of teacher, so that they shall not get accustomed to any one way of speaking, neither do they hear only the same pronunciation, but are enabled to understand everybody. This is, of course, very essential in order to avoid difficulties when travelling in foreign countries.

The practical and constant use of the language is very valuable as long as the student is not hesitant to speak aloud so that the *Berlitz* teacher can put him right whenever his pronunciation or composition is incorrect. Students who are shy during the lessons lose the benefit of the teacher's good advice, and may leave him in doubt as to whether his answer to the teacher's question was right. The teacher cannot be blamed if the student is too shy or hesitant during the lesson. Indeed, the student should realise this and take full advantage of the instructor's personal counsel by speaking aloud.

This shyness is, of course, frequently found, and we cannot stress the point too much. Oral tuition has great advantages to the student who makes up his mind to take an active part in the procedure of each lesson, and speak freely—without being shy or afraid—as he would speak in his own language. Only then can the teacher give each student the benefit of his corrections and supervision. It also assists his fellow-students in the same class.

Students who already know the elements and rudiments of a foreign language, but experience difficulties in speaking and understanding, will find the *Berlitz Conversational Classes* a great help. These will make them use the language they have learned, and also train their ear, so that the theoretical knowledge will very quickly be turned into practical use of the language which is, naturally, the ultimate aim.

We must emphasise in this connection that a would-be linguist who studies a language by the spoken method exclusively must make it a point to hear and use the language at very frequent intervals, as only constant use can give him that self-confidence which he requires in order to gain fluency in the foreign tongue. The *Berlitz* method offers him this opportunity, and it is for him to avoid long intervals between each lesson.

We will discuss a specimen *Berlitz* lesson in our next issue, to show our readers how *Berlitz* students are made to use the language they learn throughout the course.

CORRESPONDENCE TUITION.

Would-be linguists, who are unable to take oral tuition, in view of their distance from a Language Institute or because of lack of time, often express doubts as to whether a language may be learned at home in their spare time. This is a problem which confronts many young men and women to-day, but one which has been solved by two Language Insti-

tutes in this country, who have made it their special object to cater for this class of students.

Learning languages at home can be either a difficult, laborious process and drudgery or an interesting and profitable pastime. The home-student must avoid theoretic and scholastic methods, which will only force him to give up after some time, and make him prejudiced against all methods of language instruction. He must always have his practical object in view; he does not only want to *know* a language, but he wishes to speak, understand and use it.

Hugo's Language Institute, who have originated *Postal Self-Tuition Courses* in French, German, Spanish, Italian and Russian, have realised that the home-student's success depends on five things:—

- (1) His studies must be interesting.
- (2) He must understand what he is learning.
- (3) He must gain useful and practical knowledge from the start
- (4) He must be able to make quick progress.
- (5) His studies must cause him no fatigue.

Hugo's Courses of Self-Tuition admirably comply with these five conditions. There is nothing scholastic about the courses. There are no terrors of grammar or memorising of vocabularies. The lessons are carefully graded, one built up upon the other, each subsequent lesson utilising and strengthening the knowledge gained in the previous ones. As with *Hugo's Oral Tuition*, grammar is introduced in a manner which makes the student absorb it without actually noticing it; in other words, he learns the elements of grammar by means of examples and by using these examples practically; comparisons train him to the correct use of these elements.

Throughout the Course *Hugo's Imitated Pronunciation* has been used, which is an excellent guide to the spoken language, and as this imitated pronunciation is strictly phonetic, reference to a "key" has been eliminated. We must, however, not forget to mention that every student of this course is at liberty to call upon *Hugo's Language Institute* personally and have an interview with one of the native teachers, who will put him right on any point of pronunciation or other item on which the student may be in doubt or experience difficulties. In fact, this offer of practical assistance extends still further. Each student may, whenever his time allows him, take part in six lessons of *Hugo's Oral Tuition*. This offer is undoubtedly a great help and invaluable feature of the Self-Tuition Course.

Hugo's chief aim in postal instruction is the

training of self-confidence and self-reliability in the student. There are no test-papers to be sent up for correction, although it is left entirely to the individual student's own inclination to send in compositions of his own, which will be most carefully checked and returned with helpful advice and remarks by the native teachers of the Institute. The carefully graded tests of the Course are provided with instructions for the correction by the student himself. This makes the student confident and enables him to check himself the progress he is making.

Again, conversation is the chief aim in these courses, and the subject matter is chiefly composed of every-day phrases, sentences and practical conversations. Thus, *Hugo's Self-Tuition Courses* consist of *fifty weekly lessons*, specially prepared for home study; an extremely useful set of *Practice Table* for speedily gaining conversational fluency; *six class or private oral lessons* at any of *Hugo's schools*; and, for reference purposes, a complete set of *Hugo's text-books*. We shall have many opportunities of showing the practical use of each part of this outfit, and their value to the home-student.

The Self-Tuition Courses of the *Pelman Languages Institute* are written entirely in the foreign language. The Spanish Course, for instance, is written entirely in Spanish. It does not contain a word of English from beginning to end.

This method attempts to make the home-student think, write, read and speak in Spanish right from the start. Each of the forty-five lessons contains: (1) *a reading-piece*; (2) *a passage of practical conversation*; (3) *exercises*. The comprehensive *Guide to Pronunciation*, which is supplied with the first set of lessons should enable a student, if he makes this guide subject to very careful study before he proceeds with the actual lessons, to speak and understand the language intelligibly, provided that throughout the course he pronounces each word and sentence aloud and as often as possible.

The subject matter of the Courses is arranged and built up in such a manner that the attentive student will grasp the meaning without reference to English translations or "keys"; illustrations are introduced which make understanding very easy.

Let us look at the first lesson of the Spanish Course. It begins with the two Spanish words *El Alfabeto*, which are followed by the 28 letters of the Spanish alphabet. *El Alfabeto* is easily recognised by the student as meaning

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"the alphabet"; the guide to pronunciation enables him to pronounce *El Alfabeto* quite accurately.

He then sees the ordinary figures from 1—100, under each one of which he finds the Spanish name, thus:—

1	2	3	9	10	16	40	51	100
uno	dos	tres	nueve	diez	diez	cuarenta	cincuenta	ciento
					y seis		y uno	

Having observed these few words, the student proceeds at once to a reading piece in which these figures appear, together with about a dozen new words. These are enumerated at the side of the reading piece and illustrated by a drawing of parts of the human body, without any English translation. He now finds that he can read in Spanish that "The alphabet has 28 letters; the hand has 5 fingers; the professor has 4 pupils; the pupils have 6 books, etc." Every new word introduced is printed in the margin of the lesson page, so that the student, with the aid of the guide to pronunciation, is enabled to get its correct sound values. Questions which follow the reading piece are composed of the words already absorbed, so that they, together with the appropriate answers, make the student repeat the subject matter in various forms and compositions, throughout the course which is, of course, training his mind to retain the matter presented.

Also the passage of conversation in each lesson deals with the same subject matter, but again in a different form, so that the student learns and practises the use of each new word and phrase in all the various possible compositions.

Finally, at the end of each lesson, the student finds a number of exercises on the subject matter treated so far. These exercises may consist of phrases in which certain words have been left out for the student to replace, or of questions to which the student has to give the appropriate answers, or also sentences to which the student has to form the proper questions; all the time the student is thinking, reading, writing, and, as he is expected to

read aloud, also speaking the language he is learning. It is quite easy to see that this method, if taken seriously by the student, must train him to the proper use of the language. It is a fascinating study, because the student is actually, and right from the start, working in the language of his choice. He gradually acquires a useful vocabulary, learns how to form sentences, and how to ask and answer questions; and, after all, speaking consists for the most part of asking and answering questions.

GRAMOPHONE COURSES.

A letter which Lt.-Com. Kenworthy recently addressed to the editor of "The Star" should be of special interest to readers of this section. He says:—

"I am interested to hear that the Air Ministry are giving special facilities to officers of the Royal Air Force to study foreign languages. I also observe with great personal interest that the Air Ministry is supplying gramophones with records of spoken French, and other languages for instructional purposes.

"Before the late war, as a serving officer at sea, I kept my German up to date, and, in fact, improved it very much by this method.

"The need for linguists is as great in the Navy as in the Air Force. For example, the condition of affairs in China for many years to come will necessitate British warships being stationed in Chinese waters. To learn Chinese as a scholar is the work of a life-time; but to learn the Chinese vernacular language is comparatively simple, and this system can be used to give a great many of our officers—especially those with a natural aptitude for picking up languages—a working knowledge of Chinese. Some financial inducement should be given to officers, petty officers, seamen and marines for a working knowledge of a useful language, even if they cannot pass the literary test for an interpreter-ship.

"Science has come to the aid of the teacher of languages, and the adaptation of the gramophone for the use of the student removes a handicap on the would-be linguist ashore and afloat"

Commander Kenworthy is to be complimented upon his attitude towards the study of languages, and the recent developments in language records are certainly worth great attention on the part of language students. Opinions are divided as to whether language records can really replace other methods of language instruction, or whether they are merely an invaluable help to students with some knowledge of a foreign language.

We feel inclined to adopt the latter view which, however, we must qualify by saying that, in consequence of the difference of opinion, the well-known gramophone language courses which are now available, have

been improved to a combination of the two principles by the addition of improved text-books which accompany the records.

Hugo's Language Institute, the proprietors of the *Hugophone Language Records*, for instance, are quite frank as to the aims and objects they follow with their gramophone course. The *Hugophone* course consists of a set of 12 double-sided 12-inch records, which have been electrically recorded, under the supervision of Hugo's, by the Columbia Graphophone Company.

Hugo's do not say that with these records alone, and without any effort on the part of the student, will he learn the language. However, they emphasize—and in this point we fully agree—that nothing is of greater importance to the would-be linguist than the training of his ear to the foreign sounds. There could indeed not be a better method of practising a language, making oneself thoroughly acquainted with and accustomed to the peculiarities of speech and sound of a foreign tongue, than the gramophone method with which continuous study may be carried on at home, whenever there is a spare moment, and, in fact, everywhere and anywhere, and it is certainly a boon to students who have no opportunity of taking oral tuition. The *Hugophone* records consist of 24 complete and connected conversations between two or more French people; they bring the student in close touch with French atmosphere—and atmosphere is an all too important asset in the study of languages.

The *Hugophone* course is for students who, knowing French, desire ear training and conversational practice, and from the writer's own test, these claims are fully justified. There are no elementary records in the *Hugophone* course; every conversation is every-day speech—French as it is spoken by educated Frenchmen—on subjects with which the student needs to be acquainted, the moment he sets his foot on French soil. The reproduction of these records is excellent, the subject matter well arranged, so that the student—provided he takes his studies seriously and makes the subject matter his own mental property—should find no difficulty in realising his aim, namely to speak and understand French.

An interesting feature of the *Hugophone* text-book is the fact that the subject matter is simultaneously given in French, English, German, Italian and Spanish, which, therefore, makes the *Hugophone* French Course of equal value to Englishmen, Germans, Italians and Spaniards who wish to learn French; ex-

planatory notes and Hugo's system of imitated pronunciation enhance the value of this manual still further.

The *Hugophone* series contains approximately 2,800 different words, and as it is known that even "above average" educated people seldom use more than 1,000 different words, the student is not only provided with all the terms he is likely to want, but he is also accustomed to practically all the various shades of sounds, linkings, abbreviations, etc., peculiar to the French language.

To many people who have reached a certain point in the acquirement of French, and rather foolishly give up because they have firmly fixed in their minds that further progress is impossible unless they can hear the language actually spoken, the *Hugophone* Conversational Records should prove an invaluable stepping-stone to Perfection. The advanced student wants practice, and practice over and over again. It is the lack of practice which has caused many promising would-be linguists to give up and forget all they have learned. The *Hugophone* series of conversational records has been designed chiefly to fill this gap.

The *Foylophone Course*, the main features of which we already discussed last month, has been compiled with the view to providing both elementary and advanced instruction, and practice. It is, therefore, accompanied by a text-book, which is not merely a key, which is all that is required by advanced students who desire ear and conversational practice, but it contains also a graded series of lessons to make the beginner acquainted with the elements of French grammar and composition.

Students who, from individual motives or necessity, wish to learn French by self-tuition exclusively will find in this text-book guidance to surmount the initial difficulties. The text-book contains a bi-lingual key to the conversations, a vocabulary, and the elements of French grammar for ordinary needs of business and social conversation, with which it is aimed to:—

- (a) Teach a good pronunciation;
- (b) Familiarise the student with simple conversational phrasing and colloquial idioms;
- (c) Provide a vocabulary adequate to the expression of every-day ideas;
- (d) Inculcate the essentials of practical grammar.

"B.O.M."

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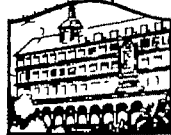
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- (b) There is no entrance fee.
- (c) Each article must not exceed 750 words.
- (d) Manuscripts should reach us not later than January 15th.
- (e) The decision of the Publishers in consultation with the International Editor is final.
- (f) Political aspects must be excluded from the articles.
- (g) All entries must be addressed to:—

"LANGUAGE COMPETITION," Business Organisation, Ltd., Granville Chambers, Bury St., London, W.C.1.

Of course, the student who is indeed a beginner will have to give a great deal of thought and attention to this text-book, the instructional matter of which is closely interwoven with the subject matter of the thirteen 12-inch double-sided records. It is obvious that, if he wishes to replace a teacher who would guide him through the various stages of French composition, by self-tuition, he is bound to make a serious study of the *Foylophone* book. If he does that the records will provide him with the essential ear training which, as has already been pointed out, is the great asset of language records.



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This combination of the *Foylophone* records with the comprehensive text-book make the course peculiarly suitable for school requirements, and is already used in the French elementary and advanced classes of quite a number of schools in this country where the teacher is provided with a carefully graded series of lessons, and assisted by the introduction of native voices for the benefit of his pupils. After all, with young people and real beginners, the acquisition of the elements of a language, before conversational practice can be tackled, is best left in the guiding hands and supervision of an instructor who understands how to deal out the introductory matter in suitable and easily digestible portions, based upon his knowledge of each individual student's aptitude and progress. The *Foylophone Company* will, no doubt, agree with us when we say that a text-book, which is more than a key and which attempts to teach the entire complexity of a language, requires extremely careful and persistent study on the part of the student. If the student realises this at the outset and does not attempt to go over the introductory matter in the desire of getting down to the more interesting conversations too quickly he will undoubtedly benefit by this course. Self-tuition—the elimination of the instructor *in persona*—can never do away with the instructor's curriculum—and the *Foylophone* text-book provides this curriculum in a comparatively easily digestible form.

The *Gramophone Company's* "Colloquial French for the English" is the latest addition in the field of language instruction by gramophone records. That one of our biggest and best-known gramophone companies enters the sphere of education is commendable. The records are H.M.V. quality—reproduction of a very high standard.

The basis of the H.M.V. French Course is a very comprehensive—though somewhat scholastic—text-book, which is a complete and very thorough grammar, handbook, exercise-book, and conversational manual of the French language. Judging it as a text-book pure and simple—apart from its relation to the conversational records—it is indeed the best that has so far come to our notice. Carefully and thoroughly studied, this book will enable the student to *know* French and every aspect of the French language—from the elementary to the advanced stage. But to *know* French is not enough, nor can it be the object of any practical course of tuition. The ability to speak and converse in a language is, after all, the

object of any student of languages. And that is where the 15 12-inch double-sided H.M.V. conversational records fill the gap.

M. E. M. Stéphan, Senior Lecturer in French, University College, London, and Prof. Daniel Jones, Professor of Phonetics, also of University College, have certainly produced a course which every teacher of French would judge favourably.

French words are introduced in order of their utility, based largely on commonness, in order not to tax the student's brains with too long a vocabulary, at the beginning.

The records do not give conversation right from the start. In fact up to record No. 11 all words on the records are said in isolation, before being incorporated into phrases or sentences. The text-book makes the student acquainted with the formation and values of sounds in French; the phonetic transcription carried throughout the book is introduced to enable him to pronounce new words so that he will easily recognise them on the records. Great stress, is in fact, laid on the pronunciation, the explanatory texts being illustrated by photographs showing the formation of mouth and lips, for the correct pronunciation of the French vowels.

Each chapter of the book is divided into a Word-List with phonetic pronunciation and "free" translation, then the subject matter of the record, most of which is divided into sections to facilitate repetition; then follow notes and exercises on meanings, grammar and syntax of the subject-matter dealt with in each chapter.

It can be safely said that the H.M.V. text-book is so thorough that it can replace the teacher, provided the student meets its demands on Continuity, Perseverance, Attention, and Patience. The book demands that every page, every line in fact, of instruction, notes, explanations, exercises, etc., should be carefully and thoroughly absorbed before dealing with the subject-matter of each record, proceeding step by step from paragraph to paragraph, and chapter to chapter, as each one is built up on the preceding one, and has to be made mental property of the student, before he can attempt to master following chapters.

The greater efforts which the student may have to spend on this course are justified by its wide scope, and the reward which it ultimately offers the patient student.

Traduttore—traditore . . .**Translator—traitor . . . I.**

This aphorism of the famous Italian statesman and philosopher Machiavelli has never lost its significance. It is an emphasis on the MORAL OBLIGATIONS OF THE TRANSLATOR.

Those of our readers who have concerned themselves seriously with literary works will testify to the accuracy of Machiavelli's outburst. Even after a thousand years the Hebraists and Hellenists are unable to agree as to the meaning of numerous passages in the works of famous authors. And probably they never will. Divided opinions are also prevalent among philosophers as to the interpretation of many passages in Kant's System. Everyone of them professes that his is the right one.

To the laymen—and all are laymen who, in spite of their knowledge of languages, have not realised nor appreciated the character and origin of language—*translation is a geometrical interpretation*. There are people who consider the work of a translator as some sort of a puzzle, in which the words and sentences require only approximate interpretation, similar to a composer's transposition of a piece of music.

This view is absolutely wrong. Words cannot be translated separately, because every word has several meanings: one absolute and several relative meanings. A single sentence taken out of a complete work may be translated, but the translator cannot always guarantee that it is a correct version of the sentence as it stands. In order to give an absolutely correct version of this sentence, the translator will have to have read and analyse at least the entire chapter or paragraph in which the passage occurs. He is MORALLY BOUND to make himself thoroughly acquainted with the author's line of thought. "*Thought is Language*," says Mauthner, the philosopher, in his "*Kritik der Sprache*."

Above all, the conscientious translator must be able to analyse the author's work. In others words: He must be able to reconstruct the author's line of thought to the utmost perfection.

This is but one of the many obligations which the translator owes to both author and reader, and it applies not only to literary works, but also to the same degree to translations of scientific, technical, legal and commercial subjects—if not to a much higher degree, as the consequences of incorrect interpretation may in these cases become even more fatal.

LERNU ESPERANTON.

To begin with, let us state what an International Language is and what it is not.

An International Language is an attempt to save the greatest amount of labour and open the widest field of thought and action to the greatest number. It is not an attempt to replace or damage in any way any existing language or literature.

Of all the international languages which have been created at one time or another, Esperanto alone has stood the test. It is to-day the best organised language in the world, better organised in fact than any living language.

The *Universala Esperanto Asocio* (Universal Esperanto Association), whose headquarters are at Geneva, has to-day more than 2,000 active delegates throughout the world. The number of people speaking Esperanto has been estimated at between 500,000 and 1,000,000.

The Esperanto movement may be compared with a form of international freemasonry. Esperantists know no political, religious or other differences or barriers, because

*"Sur neutrala lingva fundamento,
Kompreneble unu la alian,
La popoloj faros en konsento,
Unu grandan rondon familian."*

On the basis of a neutral language,
When one will understand the other,
All the peoples will become
One large family circle.

The U.E.A. Delegates throughout the world render a number of invaluable services to Esperantists, which also include commercial services to business houses who register as "*enterprenoj*." To give an example or two: An "*enterpreno*" may have distributed, through the Delegates of the U.E.A., trade promotion literature, catalogues, folders, etc., in Esperanto, in every country of the world, at a cost which is much below the cost of an independent distribution.

An "*enterpreno*" writing in Esperanto to business houses abroad who do not know Esperanto, is certain of the correspondence being translated free of charge by the local U.E.A. Delegate.

Also in Great Britain the movement is growing visibly. There are 12 Esperanto Federations in the United Kingdom, and nearly 100 local groups, and two Esperanto journals published regularly.

The Paris Chamber of Commerce in 1921

appointed a Committee to examine the claims of Esperanto, and on a favourable report by the Committee decided to introduce it as a subject of study in its commercial schools. The Committee recommend that Chambers of Commerce in other countries should be asked to institute similar classes, and this suggestion has already been adopted by several countries.

The following fairs and exhibitions issue official propaganda matter in Esperanto: Leipzig, Lyons, Basel, Padua, Paris, Helsingfors, Ghent, Frankfort, Breslau, Reichenberg, Prague and Rio de Janeiro.

Esperanto is an auxiliary language of definitely established value in international social, scientific and commercial relations. As it is remarkably easy to learn, its study should be taken up by everyone engaged in international affairs, although he may already know or learn one or more living languages.

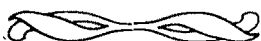
ANSWERS TO CORRESPONDENTS.

L.P.G.—The following books should be most useful for your requirements.—“*Hindustani Simplified*,” of The Hugo Language Institute, Ltd.; “*Hindustani, Persian and Arabic*,” of Messrs Kegan Paul, Trench & Co., Ltd.; “*Hindustani Self-Taught and Grammar*,” of Messrs. Marlborough, Ltd.; “*The Bagh-O-Bahar*,” with English translation and two annotated glossaries, of Messrs Thacker & Co.

W.H.—A journal for students of French is published weekly by Hugo's Language Institute, Ltd, and is called “*Hugo's French Journal*,” 2d. weekly

F.R.—The correct Esperanto terms would be Exhaust valve—*drenvalvo*, spirit level—*tubnvelo*; piston—*pistotango*; ballbearings—*gioblagroj*, shares—*akcioj*, Board—*direktoraro*.

P.T.—If you can afford a Correspondence Course plus gramophone language records, so much the better.



Making a Trade Mark Symbolise Goodwill.

(Continued from p. 225)

words left. Names, whilst registrable, entail a lot of expense to protect.

Provided one can be original in creation of design or invented word, it is safer to proceed under headings 3, 4 and 5. It is remarkable to find coined words, and designs the advertiser thinks are original, opposed within a few hours of their publication. It is well to consult a good trade mark agent. He knows the ropes and can tell the manufacturer what, and what not, to do

The Price of Profits.

(Continued from p. 228)

truth often does, it is well to face the facts, and digestion of the results of this research should prove a stimulus to the British temperament. An impression created by the book is that Britain has not given attention to the matter. This is not true, of our own knowledge, and when she draws level, as in time she will—well America will do some hard thinking.

“Simplified Practice,” by Cecil Chisholm.

SIX YEARS' HARD LABOUR—

in negotiation, committee and conference, have combined to make a few men—the members of the Traders' Co-ordinating Committee—masters of the very complex problems which now confront every British trader who uses the railways.

We are privileged to announce that, with the active co-operation of one of these men—perhaps the one who, throughout the difficult years, has been the most tireless in his efforts to secure equitable arrangements for traders—has agreed to co-operate with us by preparing a Course of Instruction in

CURRENT RAILWAY PROBLEMS.

This Course is unique. There is nothing like it. There cannot be, for no other man has available the wealth of material essential to its preparation.

The Course is not for youngsters. Elementary instruction in railway rates problems can be obtained elsewhere. It is for the executive who wants to become thoroughly *au fait* with the present situation between railways and traders, and who has to struggle through a mass of technical difficulties affecting his firm. Only such will be accepted as students, and the method of instruction will be *strictly confidential*.

The fees will astonish you by their moderation. Widespread demand alone makes them possible.

Transport Men!

Company Secretaries! Directors!

Unless all your arrangements are in apple-pie order you cannot afford to do without this Confidential tuition another day. Enrol yourself, or put a member of your staff in touch with us. To hesitate may mean heavy loss to your firm.

Full details from **COLLEGE OF ADVANCED TRANSPORT,**
17/18, Water Lane, Great Tower St., London, E.C.3.



Specially written for "B.O.M."

By C. W. FRERK,

Delegate, International Economic Society

"B.O.M." INTERNATIONAL SERVICE : Editorial Programme.

This Section will in future contain the following features :

Editorial on International Marketing—Reports on "B.O.M." Market Research and Intelligence Services—The "B.O.M." Contact Service—50 Enquiries for Goods or Agencies—2 Compact Market Surveys—12 International Marketing Hints—Answers to Correspondents

Those of our readers who are not yet regular subscribers, will do well to register as subscribers at once, as the Contact and International Intelligence Services are available to subscribers only.

MAKE SURE YOU GET OUR FEBRUARY NUMBER. SUBSCRIBE NOW !!

IT is exactly a year ago that we started this *International Service* Section in our Magazine, and looking back we find that its services have been used with advantage by a much larger number of British houses than we originally anticipated. To many of our readers who are engaged in international trade, this section has been a **silent yet effective and efficient export manager**, a source of reliable information and definitely practical assistance. It has been made subject to very severe tests by readers who submitted enquiries and queries which apparently a number of other commercial intelligence organisations had tried in vain to solve, queries which necessitated research in many hitherto unthought of directions. Yet, and we are proud to say so, our international research and intelligence organisation was found to be adequate to render the services, and submit the data required.

Needless to say that we ourselves gained many fresh experiences, now and again additions to our service ramifications became necessary, new lines of action were discovered, new sources of information, and new methods of compiling data, enquiries, etc.

We have constantly widened the scope of our *International Service*, enhanced its efficiency, and have created, within the last twelve months, a

service organisation which, we can safely and proudly say, is **unique, unequalled in the sphere of International Trade Development.**

After a period of twelve months' successful pioneer and experimental work, we have now reached a point when we can place at the disposal of **BRITISH MANUFACTURERS, EXPORTERS, SHIPPERS, AGENTS**, as well as of **BUYERS OF BRITISH GOODS IN THE WORLD'S MARKETS**, a complete and extremely comprehensive Service Program, which, we are certain, will play a very important part in the Promotion of British Export Trade.

When we started this *International Service* Section, the services which we were asked to render were practically limited to (1) *finding foreign and overseas agents*; (2) *naming sources of supply*; (3) *indicating import regulations, rates of duties*. These services were rendered free of charge to our readers.

It was, however, not long before some of our more progressive manufacturing and exporting houses requested us to secure information and data, and compile market surveys and reports, statistics and analyses, for definite products, concerning definite markets, for their individual use. Another class of B O readers asked us to prepare

for them *complete export marketing schemes*, and there were others who came to our offices and sought information on the best method of packing, transport, shipment, terms of payment, etc., for certain markets.

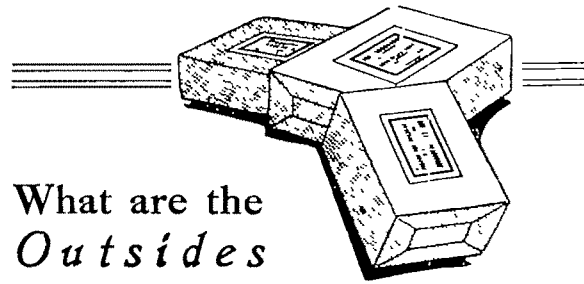
Thus, the complexity of the services rendered grew beyond all expectations, and included a great number of services which we could not possibly render without charge, in view of the fact that we ourselves incurred expenditure in procuring the data required, quite apart from the volume of routine and clerical work which became essential, and which compelled us to enlarge our offices and increase our staff.

But this increasing demand on our services came not only from readers in Great Britain, but also from the many subscribers in foreign and overseas countries who consider this *International Service* as their **best means of getting and keeping in contact with British Industry and Trade**. In fact it is they who have repeatedly requested us to draft a definite program of international co-operation and service, to bring PRODUCERS AND BUYERS OF BRITISH PRODUCTS CLOSER TOGETHER AND ESTABLISH REGULAR CONTACT.

We have thus come to a stage with our organisation where we can place before British manufacturers and exporters as well as importers and agents, and especially also their respective trade associations and federations an **INTERNATIONAL COMMERCIAL INTELLIGENCE AND MARKET RESEARCH BUREAU**, which shall be a **Clearing House and Advisory Bureau** for all and every kind of problem in the **Promotion of British Export Trade Interests**.

Such a Clearing House has long become an absolute necessity to British Trade—it is now a *fait accompli*. The producer has to strain every nerve on production and selling. The buyer has to pay greatest attention to buying in the right market. Little time is left to both for research work and reconnoitring. Besides, manufacturers who would attempt to establish their own Research Departments would find the cost prohibitive. Because, it is not the moment when you actually require data and information that you set about to secure these. **Research work must be continuous and in many directions**; data must be constantly collected, collated, analysed and recorded. Much information must be recorded although it may not be required for some considerable time, but it must be available quickly when required.

This is an age of specialisation, and we are specialising in this particular field of international research and intelligence services. Our readers



What are the *Outsides* of your Parcels worth to you?

Do they carry your Advertisements?

Well designed, brightly printed gummed labels and printed gummed tape can make your parcels unpaid travelling salesmen, to bring you extra business.

Ask your printer for our free booklet on the art of attractive packing.

Every
parcel a
travelling
salesman

Use
**Gummed
labels**



Advertisement of
SAMUEL JONES & Co., Ltd.

are spared great trouble and expense; they are offered that feeling of security that there is *one* organisation which will solve for them all problems which they may come across at any time.

Now take the various trade organisations and federations of various industries in this country. What is their position in relation to their members? **Service**. Members turn to their trade organisations for the solution of problems, for information, data, etc. When it comes to home data, these organisations are generally well equipped. But trade in most industries is spreading beyond the borders of the British Isles, and manufacturers demand new and a greater variety of services of their associations. Yet, it is almost impossible, for most organisations, in view of the time and expenditure required, to establish an efficient and world-wide intelligence service ramification. *A self-contained and fully organised research and intelligence department is an extremely expensive investment which only the largest of businesses and associations can adopt.*

The World Economic Conference at Geneva emphasised the vital importance of economic information in the determination of commercial policy by individual manufacturers and merchants as well as trade associations.

Marketing intelligence is an urgent necessity, as it comprises information on where to sell, what to sell, and how to sell, as well as how to advertise. Accurate and up-to-date marketing intelligence determines the seller's plans of action, and guides his selling efforts into those channels which eliminate waste efforts. Marketing intelligence is the nucleus of business, which demands the seller's closest attention, as all and everything depends on it.

But how is he to procure such facts and data? Can he afford a self-contained intelligence department which will dig for facts and figures, and serve as the X-ray apparatus of his business?

THE SOLUTION.

There is no better solution than linking up with an established research and intelligence organisation, which specialises in digging for marketing facts, figures and data. This has another advantage: **an independent research bureau is entirely impartial** in its research and judgment, whereas a manufacturer's own department may be influenced too much by the firm's individual circumstances, successes, and other prejudices, and a biased report or survey is worse than none at all, as it does not crystallise the true facts which may sometimes not be to the liking of the manufacturer, but which he should know, in order to make adjustments in his merchandising policy.

To procure unbiased and absolutely impartial information and data is the object and basis of the "B.O.M." INTERNATIONAL RESEARCH AND INTELLIGENCE SERVICE—*a service for all manufacturers and merchants, and yet a burden to none.*

We save you the cost of establishing your own intelligence department, offer you specialised services of a world-wide ramification which is unique, and which guarantees that degree of efficiency and reliability which is so essential in commercial intelligence.

By linking up with our Intelligence Bureau you are placed in a position where you can call upon our services as if our Bureau were your own.

THE "B.O.M." INTERNATIONAL RESEARCH AND INTELLIGENCE BUREAU IS TO BE THE CENTRAL INTELLIGENCE DEPARTMENT OF BRITISH INDUSTRY AND TRADE.

THE EXTENT OF OUR ORGANISATION.

Since we last published a list of our service ramification, many invaluable extensions and additions have been made, with the one object,

A MARKET SURVEY of the NETHERLANDS EAST INDIES, where British Goods are in good demand.

Our Research men in the Netherlands East Indies have co-operatively compiled a comprehensive Market Survey and Report of the Trading Possibilities in the Dutch East Indies. This Report is invaluable to British Manufacturers and Exporters who wish to extend their operations to those potential markets.

The Report comprises approximately 60 closely typewritten pages and deals with

The Market—The Population—Buyer Groups and their Requirements—Buying Habits—Foreign Competition—How to Enter the Market—How to Reach the Potential Buyer Groups—Customs and other Regulations—Distribution—Advertising etc., etc.

Only a limited number of copies of this market report are available, order your copy without delay.

Price £10

"INTERNATIONAL SERVICE,"
BUSINESS ORGANISATION, LIMITED,
Granville Chambers, Bury St., London, W.C.1

namely, to increase the scope and efficiency of our services which are now without equal throughout the world, and are even used by organisations which hitherto conducted their own research. This says a great deal, but it will be seen from the following description of our organisation that the claim is fully justified.

The "B.O.M." International Research and Intelligence Bureau now comprises the following service stations:

- 239 individual correspondents and research men in 88 different countries throughout the world
- 21 national and international trade associations, trade promotion organisations and commercial intelligence bureaux, with a total membership of more than 150,000, and with a total number of foreign and overseas delegates and liaison officers of more than 10,000.
- 32 daily newspaper service and research bureaux, with 75 service offices and 530 correspondents.
- 28 Market Research Bureaux, with offices in 45 different countries, and with 60 permanent and more than 200 temporary investigators.
- 80 trade and economic journals and magazines, with technical and economic archives, libraries, and a large number of correspondents.
- 14 statistical bureaux.
- 6 laboratories.
- 94 status enquiry bureaux.

All these service stations are at our exclusive disposal in this country. Our readers will now undoubtedly agree that with such an extensive

service organisation we shall be able to undertake any and every research and intelligence work, and solve any and every marketing problem, with which British business houses may be confronted.

HOW IT WORKS.

The various service stations which we enumerated above are constantly engaged in

collecting data, analysing territories, investigating the position of certain products in their territories, surveying markets, compiling reports and statistics, gathering enquiries for goods and agencies, preparing selling and advertising plans, investigating dealer and consumer tendencies, buying habits, psychological peculiarities, territorial requirements, competitive influences, price, fashion and other tendencies, selling methods, distribution, customs and other regulations, patent and trade mark conditions, distribution of population, of wealth and of certain products, transport and shipping conditions and facilities, etc.. etc

In short, all those facts and data are prepared, collected, and recorded which have some relation to selling and advertising, merchandising in the widest sense of the word, and from all countries of the world.

This unending accumulation of material which the British business man will need urgently sooner or later for his guidance, is being sifted for him every day. He is assured that such material is prepared for him for the psychological moment, when he must get down to facts and figures, to determine his export marketing plans.

Just think for a moment what this scheme means to you. Also consider for a while what it would cost to an individual manufacturer, or one trade organisation if a self-contained intelligence department which had to procure all this material, was to be established.

ONLY POSSIBLE ON A CO-OPERATIVE BASIS.

It can easily be seen that these services are only possible because they are not established for one individual manufacturer, but for the entire British Industry and Trade, and it is only this participation of many business houses which enables us to keep up this extensive service organisation.

Collective enterprise is what is needed in British merchandising to-day. Where it would cost an individual firm many hundreds of pounds to keep up a self-contained intelligence department, when participating in the "B.O.M." Services, only actual services rendered incur a cost as and when required, but not the constant upkeep and activities of the Bureau.

The more firms participate, the greater the extent of the services, and the smaller the cost to individual businesses,

THIS USEFUL INVESTORS' GUIDE

INVESTMENT RISKS AND HOW TO AVOID THEM.

Explains in simple language the theory and practice of investment. It contains 52 pages of information and advice which should prove invaluable to investors who wish to employ their capital safely and profitably.

Will be sent FREE to readers of "Business Organisation."

INVESTMENT REGISTRY, LIMITED

(Established 1880)

6, Grafton Street, New Bond Street, W. 1.

Chairman: The Right Hon. Lord Hardinge of Penshurst.
46th Annual Report and Balance Sheet also on application

Trade associations and federations will no doubt realise what these services mean to the extension of their own information departments, if they link up with our Bureau. Our services are extended to all British organisations as well as to individual manufacturers and merchants.

OUR REFERENCE LIBRARY.

The value of our services is considerably enhanced by the access to a comprehensive library, which is constantly kept up-to-date, and which comprises:

Official Reports and Statistics,
Statistical Yearbooks,
Periodical publications,
Books and pamphlets,
Economic and trade journals,
Trade and other directories,
Price Indices and tables,
Surveys and analyses,
and other publications of all
foreign and overseas countries.

Most manufacturers have at one time or another felt the necessity of having access to foreign and overseas publications, directories, etc. It would be too costly for them to acquire all these books of which they would probably require only certain pages, or even only paragraphs for their own individual purposes.

The "B.O.M." Service Bureau relieves him of

this burden and supplies him with extracts and other information from these books and publications, whenever required. We can offer our readers all the advantages which their foreign competitors derive from their national intelligence media.

THE NATURE OF SERVICES RENDERED.

We come now to the most important point of this article, where we state exactly which services we can render.

The services are divided into two groups:

I.—Services free to subscribers.

II.—Services for a fee.

Reservation for group I. has been made, because this Magazine is a *vehicle of service*, and because we are always out to give our subscribers more than merely a monthly magazine. This is a fact which should not be lost sight of by our readers. It is also a feature exclusive to "B.O.M."; it should induce all those who have not yet become regular subscribers, to register at once, and thus avail themselves of the comprehensive services behind their magazine.

We will now give a list of the services rendered in each group.

I.—SERVICES FREE TO SUBSCRIBERS.

- (1) Indication of sources of supply in all countries.
- (2) Indication of reliable foreign and overseas agents and distributors for British manufacturers.
- (3) Fixing up foreign and overseas agencies.
- (4) Supplying enquiries from abroad and overseas for our readers' products.
- (5) Filing of catalogues, price lists, folders and pamphlets of manufacturers in our Catalogue Files, for reference of interested buyers.
- (6) Filing of manufacturers' standard business cards (6in. x 4in.) in our service index.
- (7) Indicating foreign and overseas journals, newspapers, periodicals, etc.
- (8) Indicating rates of duty.

Reply postage: Subscribers making use of these free services are requested to include double reply postage for each enquiry. They will realise no doubt that the demand on our services will be heavy, incurring considerable postage expenditure, and that, in view of this, our request for 3d in stamps for each enquiry is only modest and fair.

II.—SERVICES RENDERED FOR A FEE.

- | | Fee
£ s d |
|---|--------------|
| (1) Information about customs and import regulations, for all countries and products.—Per country and product | 0 7 6 |
| (2) Information about terms of payment, delivery and other commercial usages.—Per country | 0 10 0 |
| (3) Information about patent and trade mark regulations abroad and overseas.—Per country | 0 5 0 |
| (4) Supplying foreign translations | |
| European languages, per 100 words | 0 3 0 |
| Oriental and Slav lang., 100 words | 0 5 0 |
| Scientific, legal and technical matter plus 50% | |

- | | |
|--|----------|
| (5) Drafting foreign sales letters. | |
| First letter on quarto sheet | 2 10 0 |
| Each follow-up letter of same series | 1 15 0 |
| Oriental and Slav languages | plus 50% |
| (6) Drafting foreign folders, catalogues, brochures, advertisements, pamphlets, etc. | Estimate |
| (7) Giving letters of introduction to readers going abroad, or readers seeking agencies asking us to write letters of recommendation.—Per letter | 0 2 6 |
| (8) A comprehensive survey of the market which the manufacturer wishes to enter, its population, market structure, etc.—Preliminary report | 10 0 0 |
| Ditto, comprehensive report | 25 0 0 |
| (9) An analysis of the manufacturer's competitive position in that particular market | 10 0 0 |
| (10) An investigation of the trading and merchandising methods in use in that market, with particular reference to the manufacturer's own trade | 5 0 0 |
| (11) A report on the consumer requirements, wholesale and retail purchasing habits, etc., in relation to the class of product which the manufacturer wishes to market | 10 0 0 |
| (12) A report on advertising possibilities and suggestions on packages, make-up of goods, etc. | 10 0 0 |
| (13) A list of likely importers, agents or distributors; not less than 10 per month | 0 10 0 |
| (14) A detailed plan suggesting the most effective sales campaign, based upon the survey and reports prepared as above | 15 0 0 |
| (15) Permanent supervision and consultancy on points arising during sales campaign.—Per annum | 50 0 0 |
| (16) Preparation of mailing lists.—Per 100 addresses | 2 0 0 |
| (17) Lectures on export marketing and instruction in export organisation and international marketing.—Per lecture, plus fares | 10 0 0 |
| (18) Complete "all-in" consultancy, embodying all the above mentioned services, with constant supervision and reports on changes, which may effect merchandising policy, and including expert advice to all enquiries and queries which the manufacturer may have when building up his sales in foreign markets.—Per market, per annum | 150 0 0 |
| (19) Preparation of statistical analyses | Estimate |
| (20) Preparation of advertising campaigns | Estimate |
| (21) Extracts from publications, etc. | Estimate |
| (22) Arbitration of commercial claims | Estimate |
| (23) Framing of commercial contracts | Estimate |

In addition to these services, and apart from research work undertaken on behalf of individual firms we shall prepare a series of reports on certain markets, trade opportunities, the position of certain industries in various export markets, which we shall make accessible to our subscribers, at a very nominal cost, and the titles of which will be published from time to time in this Section.

Furthermore, we are establishing an **International Contact Service** between buyers and

sellers of British goods, which will be a very valuable feature in British Trade Promotion.

PRESENTATION OF MATERIAL.

All data and information will be presented in such form that is the most convenient for permanent and quick reference. There will be commodity and subject indices.

A new series of "**B.O.M.**" **International Service Forms** is in preparation, which will ensure prompt attention to all enquiries and queries. These service forms will be printed in English, German and French.

HOW TO SUBMIT ENQUIRIES FOR SERVICE.

Our readers will have seen by now how extensive and comprehensive our services are, and that it is quite impossible to enumerate all those various classes of information which are likely to be needed by the progressive exporter. The nature of the services depends on several factors, of which we may mention a few:

- (a) The territory to be investigated.
- (b) The product.
- (c) The manufacturer's present efforts, previous experiences and organisation.
- (d) Whether besides the reports, analyses, statistical and other tables are wanted or not.
- (e) Whether only a general report or a comprehensive survey is required.
- (f) Whether one survey is wanted or a permanent supervision and investigation of the market.

Those who wish to avail themselves of our services are requested to consider these factors, and submit full details of their intentions, aims and objects, in the form of a questionnaire, together with catalogues and other documentary matter which will then enable us to submit a synopsis of the steps we should undertake, and an estimate of the cost of the investigation.

In our future issues we shall deal more thoroughly with the general aspect, the significance and convertible value of each of the various categories of research and intelligence work, which, we are sure, will make British manufacturers realise that they can no longer afford to be without these services, if they wish to command regular business in foreign and overseas markets, on the same organised lines on which they conduct their home trade.

Marketing intelligence and its various branches of research enable the exporter to adjust his sales and distribution efforts, on whose problematical success or failure many thousands of pounds are spent by British manufacturers, in such manner that all conditions which ensure success, are complied with at the outset of all merchandising efforts.

INCREASE AND FURTHER BRITISH EXPORTS.

We must take into account the fact that economic conditions in all countries are markedly different to-day from what they were in pre-war days.

Many foreign markets are "*tried out*" by British manufacturers, at a very high cost, although it would have been found on close investigation that the results to be expected would never pay for the efforts spent. On the other hand, markets of great potential value for British products are being neglected.

Our advice to manufacturers who wish to extend and strengthen their export trade is:

Procure authentic and authoritative documentary material, market reports, surveys, analyses, statistics, sales plans adjusted to the export market peculiarities and requirements, before you launch any campaign.

The cost of such information is paid manifold by the elimination of waste effort. With complete marketing data there is no more gambling, no more "*dabbling in the dark*". Even if a market report establishes the fact that the market surveyed is not worth tackling, the cost of such report is a saving, inasmuch as the manufacturer might have spent a much larger sum on an attempt to enter the market which could never produce the business to warrant the expense. In this case the report has spared the manufacturer expense and failure.

On the other hand, a report may indicate to a manufacturer possibilities undreamt of, new channels of distribution, new groups of buyers, etc., which he never approached.

The "*Enquiries*," "*Marketing Hints*" and "*Surveys*" published regularly in this "*International Section*" merely serve to indicate the value and nature of international merchandising intelligence and research; they cannot make any claim to comprehensiveness, nor do they represent a solution to all the marketing problems which a manufacturer has to face when attempting to extend his sales to foreign markets. A magazine many times the size of "*B.O.M.*" would be needed if this was the aim of this Section. But one thing is aimed at with this Section, and that is to make British manufacturers and exporters realise the value of International Marketing-Intelligence.

Thus we have outlined our Service Program for 1928, a program which has one great aim and ambition:

**TO INCREASE AND FURTHER
BRITISH EXPORT TRADE.**

INTERNATIONAL MARKETING HINTS.

THE INTERNATIONAL PRESS EXHIBITION, COLOGNE.

THIS Exhibition is to be held in Cologne from May to October 1928, and is the first of its kind. It is a municipal undertaking, organised by the City of Cologne whose Mayor, Dr. Adenauer, is the President of the Committee. The German Government have appointed a special Exhibition Commissioner in the person of the Ex-Cabinet Minister, Dr. Kuelz.

The Exhibition will be divided into twelve main sections, thus :

- (1) **Daily Newspapers**, illustrating the historical evolution of a modern newspaper, its printing machinery, general organisation, and news service.
- (2) **Periodicals**, illustrating the wide diversity in character of periodical publications, throughout the world.
- (3) **Book and Printing Art**.
- (4) **Technical Installations and Auxiliary Equipment**, such as shoots, transporting bands, newspaper folders, stitchers, office equipment, etc.
- (5) **The Unions of the Press**.
- (6) **The German Press in Foreign Countries**.
- (7) **Press and Traffic**.
- (8) **Press and Art**; showing the improvement that has been made in press photographs, drawings, cartoons, and the extent to which artists collaborate in modern newspaper work
- (9) **Press and Advertising**, showing the entire process of preparing advertising campaigns, writing and designing advertisements for the press, etc
- (10) **Newspaper Science**; Research and Experiments.
- (11) **Paper**; from timber to newsprint.
- (12) **Photography and Kinematography**, as applied in the services of the press.

The Exhibition grounds cover 250 acres on the right bank of the Rhine, opposite the City of Cologne, and within ten minutes from the Central Railway Station. A grant of £500,000 has so far been made by the Municipal Authorities of Cologne, for alterations and extensions to the Cologne Fair and Exhibition Buildings.

The **International Pavilion** occupies the central site of the Exhibition grounds, and is divided into 18 sectors which radiate fan-like from the impressive main entrance

Exhibits from practically every country of the world will be housed in this pavilion. The United States of America are showing particularly keen

interest in the Exhibition, and a special Honorary Committee, comprising all the leading men of the American Press, Printing and Allied Trades, Advertising, etc., has been formed, and the American Pavilion will cover about 30,000 square feet.

The French Government have decided to be officially represented and intend holding a National French Week (!) during the period of the Exhibition. Other countries which will be officially represented under Government auspices are

ITALY	RUSSIA	AUSTRIA
BELGIUM	POLAND	TURKEY

A large building north of the International Pavilion will house historical exhibits showing the development of the Press from its earliest beginnings to modern times. There will also be a permanent Press Museum.

Several German Publishing Houses will erect their own pavilions and print daily editions of their papers in full view of the public.

Eighty National and International Conventions have been arranged to take place in Cologne during the period of the Exhibition, so that it is a safe estimate to state that about 7,000,000 visitors are expected to come to the Exhibition. A few of these Conventions may be mentioned.

The German and Foreign Newspaper Proprietors' Convention.

The German and Foreign Newspaper Correspondents' Congress.

The International Printers' Convention

The Convention of the Fédération Internationale des Journalistes.

The Congress of the International Institute for Intellectual Co-operation (League of Nations)

Meeting of the Continental Advertising Association. International Periodical and Weekly Newspaper Proprietors' Convention.

International Christian Journalists' Meeting.

An interesting feature will be the Printers' Pilgrimage of from 3,000 to 4,000 printers from America.

Great Britain is also showing increasing interest in the Cologne International Press Exhibition. An Advisory Committee has been formed, con-

sisting of Delegates from the following bodies :

The Newspaper Proprietors' Association
The Newspaper Society.
The Master Printers' Federation.
The Printing and Kindred Trades Federation.
The Advertising Association.
The Periodical, Trade Press and Weekly Newspaper Proprietors' Association, Ltd.

Of these organisations, the Newspaper Proprietors' Association together with the Master Printers' Federation, and the Periodical, Trade Press and Weekly Newspaper Proprietors' Association, as well as the Printing and Kindred Trades Federation have already booked space amounting to over 3,500 square feet.

It is hoped that the British space bookings will increase considerably, so that the British Pavilion at Cologne will be one worthy of the traditions and greatness of the British Press, Printing and Paper Trades. These should not be allowed to be overshadowed by other countries.

It has been argued that little business could be expected as a result of the Exhibition. Why always this hesitancy? Enter instead into the spirit of International Competition. 1928 has many favourable economic developments in store in Europe, and Great Britain should prepare to secure a fair share in the benefits to be derived from better and more settled conditions in that vast complex of markets within our reach.

Our Service Bureau can supply further details of this outstanding Exhibition, upon request.

NEW LATVIAN CUSTOMS TARIFF.

The new Latvian Customs Tariff is now under consideration by the *Saeima* (Parliament), and will be published shortly. Considerable changes from the old Tariff are foreseen by way of reduced rates, particularly on important raw materials, a number of which may also be admitted duty free.

IMPROVED CONDITIONS IN THE WEST INDIES.

Reports from the West Indies indicate better business in the following articles: Household goods, glass- and porcelain-ware, earthenware, toys and musical instruments, hardware and ironmongery, watches, chemicals, pharmaceuticals, electro-technical articles, motor-car accessories, as well as agricultural implements.

Importers are preparing for the next season, and are advised to lay out their orders in good time to secure a stand that a number

BETTER BUSINESS IN DUTCH GUIANA.

Our Paramaribo Correspondent writes that the situation of the market for European goods has improved visibly during recent months. The business community, as well as the government, are doing their utmost to further the economic development of the country.

It is expected that the demand for all general commodities, as well as tools, agricultural and plantation implements, with exception of heavy technical goods, will be rather lively in the near future.

Of the various buyer groups the consumers in the capital are, of course, the most important class, followed immediately by the big plantation owners, who are chiefly Englishmen and Dutchmen, who buy, either in the capital or even direct, from Europe.

The owners and the population of the many medium and small size plantations, mainly composed of East Indians, constitute the third and very large group of buyers. Naturally, these are little interested in modern luxury goods, but have an increasing demand for all necessities of plantation life; the better situated plantation owners are now also going in for electric lighting and apparatus, for which an enterprising manufacturer could create worthwhile sales.

British manufacturers should first of all appoint a reliable agent, who must be well acquainted with the market conditions and the buying habits of the three groups of buyers we have mentioned. Sales depend largely on the period of credit extended to the buyer, who generally pays immediately after harvesting time, until when his capital is usually tied up in his plantation.

Competition is rather keen out there, especially on the part of American firms, who have started to hand out consignment stocks for which collections are made by sight-drafts after harvesting time. This system seems to work very well, especially because the actual goods may be inspected by the buyer, who is reluctant to place orders on catalogues only. There are a number of good commission firms in Dutch Guiana who are prepared to give securities for consignment stocks, and in view of the fact that Belgian firms are now following an example it would be a wise part of British manufacturers to more closely and investigate the sale of British goods.

us that the present situation in Germany is still lacking in activities in many directions, although, making allowances for seasonal influences, most manufacturing plants are fairly well occupied.

The home trade is suffering of an acute lack of capital, whereas exports seem to be handicapped by the high price level which makes competition in overseas markets problematical. The burden of direct and indirect taxation, coupled with protectionist tendencies in certain foreign countries, is a seriously felt hindrance to the development of Germany's foreign trade, reacting, of course, on the imports of foreign products as well.

The discount policy of the Reichsbank makes procurement of capital difficult, and small firms revert to the uneconomic principle of cutting prices in order to secure quick cash returns to be able to keep the works going and the workmen employed.

Announcements of forthcoming price increases have created brisk sales in many industries for the present. The activities of a growing number of foreign, especially British and American firms, operating on the German market have created serious competition. American motor-car agents are doing very well; the demand for British yarns and textiles, and of late also textile machinery, rubber goods, motors, etc., is hardly satisfied by the few British firms who pay attention to this important field.

FEDERATED MALAY STATES TIN EXPORTS.

An official cable from Kuala Lumpur reports that 4,646 tons of tin were exported from the Federated Malay States during November last, as compared with 4,727 tons in October last, and 4,148 tons in November, 1926.

The following comparative statistics are no doubt interesting:—

	1925	1926.	1927.
	Tons.	Tons.	Tons.
January ..	4,081	3,963	4,019
February .	3,362	3,546	3,279
March ..	4,031	3,501	3,988
April ..	3,762	3,667	4,097
May .	3,810	3,602	4,521
June .	3,995	4,000	4,516
July. ..	4,242	4,000	4,000
August .	3,715	3,715	3,715
September ...	3,988	3,988	3,988
October	3,872	3,872	3,872
November	4,646	4,646	4,646

HOLLAND—INCREASE OF DUTY.

It is expected that the duties on article porcelain, glass and earthenware of all kinds for household purposes will be increased 8 per cent. to 15 per cent very shortly, a Dutch industries have complained of serious effects of foreign competition. Goods for industrial purposes are to be exempt from this increase.

EXPORT OF LEATHER GOODS.

Egypt.—Imports of travelling goods trunks, suit cases, etc., of leather and imitation leather during the first five months of 1927, amounted to £E.6,319, and those of fancy leathergoods to £E 20,584. Supplies from British manufacturers amounted to £E 829 and £E.522 respectively, compared with £E 3,660 and £E 949 during the period in 1926, and with £E.1,235 and £E 2,437 from Germany during the months of 1927.

The small British participation in Egyptian trade is chiefly due to lower prices from France and Germany, and the fact that French leathergoods' manufacturers pay more attention to Egyptian fashion tendencies.

SOUTH AND CENTRAL AMERICA—(a) Bolivia

At Santa Cruz de la Sierra locally produced leather is made up for local requirements saddles, leggings, belts, straps, money bags, etc. Handbags and trunks are made in little, and only by one firm at La Paz; this firm, however, also imports leathergoods.

Requirements in better class leathergoods suit cases, etc., are imported. The demand is limited, in view of the fact that the population using these leathergoods is very small. The 100,000 population of La Paz, 75,000 Indians, who have no use for fancy leathergoods.

British wardrobe trunks and fitted suit cases are in great favour, and are bought in preference to those of American and German manufacturers. Leathergoods are generally imported by the import houses dealing in fancy goods, as well as by the local firms.

available in Ea

ENQUIRIES FOR GOODS AND AGENCIES.

The Enquiries listed below represent actual requests received for the goods mentioned. They are genuine openings for more business to those who manufacture or market what is required

Subscribers are entitled to the names and addresses of six of these enquiries, if they indicate the reference numbers, and enclose reply postage with their request. Additional names will be supplied upon payment of 1/- per enquiry. Non-subscribers pay 2/6 per enquiry.

Your own offers of goods or services may be inserted on this page free of charge. Send for Service Form

(a) Foreign Importers or Agents seeking British Goods or Agencies.

- (501) **Western China.**—Machinery for textile and allied industries wanted.
- (502) **Palestine.**—Seek agency of manufacturers of motor cycles and bicycles, as well as fittings and accessories for these
- (503) **Roumania.**—Interested in all articles for the motor car trade, including vulcanising material and apparatus
- (504) **Algeria.**—Offers of pumps, centrifuges and other technical appliances wanted.
- (505) **Denmark.**—Seeks connection with reliable manufacturers of ironmongery and hardware, rustless cutlery, etc.
- (506) **Italy.**—Seek connection with manufacturers making rustless cutlery, as well as complete table services, canteens, etc.
- (507) **Mexico.**—Offers of hardware and ironmongery solicited.
- (508) **Lorraine.**—Firm in Metz is open to represent wire rope and cable works.
- (509) **Syria.**—Offers wanted of installation material, wires, cables, wire ropes, electr. machinery and apparatus, lighting fittings, ventilators, electr. heating and cooking apparatus. Correspondence in French only.
- (510) **Poland.**—Seek agency of reliable wire cable works.
- (511) **U.S.A.**—Offers solicited of electro-technical appliances, lamps, bulbs, batteries, pocket lamps, wireless apparatus and accessories.
- (512) **Dutch East Indies.**—Seek agencies of chemical, pharmaceutical and medical supplies.
- (513) **Holland.**—Seek sanitary goods, medical rubber goods.
- (514) **Holland.**—Open to represent manufacturers of supplies for pharmacists, chemists, drug stores, sanitary shops.
- (515) **France.**—Agencies wanted of stationery, writing and school materials.
- (516) **Italy.**—Wish to represent manufacturers of stationery and writing utensils.
- (517) **Holland.**—Seek agencies of book-binding machinery and book-binding accessories.
- (518) **France.**—Wish to represent paper makers
- (519) **Dutch East Indies**—Hosiery wanted.
- (520) **Bulgaria.**—Open to represent manufacturers of woollen and cotton yarns and made-up goods, hosiery, half-hose, crepe de chine materials, etc
- (521) **Mauritius.**—Port Louis firm solicits offers of cotton and art. silk goods, shirtings, ties. Payment with 30 days' sight drafts
- (522) **Porto-Rico.**—Optical articles wanted.
- (523) **France.**—Leather manufacturer's agency wanted
- (524) **Canary Islands.**—Agencies of household articles wanted.
- (525) **Cuba.**—Seek direct connections with manufacturers of spring cloth pegs, smoking pipes, dominos, dices, rubber goods, guitar strings and musical instruments. Write in Spanish and state agency terms.
- (526) **British India.**—Solicit offers in balances, scales, weightbeams, table scales, analytical balances, etc.
- (527) **India.**—Offers solicited of baling hoops, cotton presses, blue cut tacks, butts, nuts and bolts, nails, barbed wire, cast iron water pipes, cisterns, dog chains (4 feet 40 dozen to a case; 6 feet 20 dozen to a case), horse shoes, horse shoe nails.
- (528) **Denmark.**—Are desirous of being put in touch with first-class British manufacturers of superphosphate and sulphatic ammonia who wish to be represented in Denmark
- (529) **Denmark.**—Are anxious to represent British manufacturers of hosiery, pullovers, footwear and woollen materials
- (530) **Denmark.**—Seek agencies of first-class British manufacturers of woollen cloth and suitings
- (531) **Nigeria.**—Lagos firm solicits offers of electro-technical appliances, lighting material, etc. Payment against shipping documents, through Bank of British West Africa.
- (532) **Greece.**—Wish to represent manufacturers of woollen and cotton goods, blankets, furnishings, plush and mohair mats, etc
- (533) **S.S.**—Wish to import fancy goods, novelties, household goods, perfumery articles, leather goods, stationery, etc.
- (534) **Yugoslavia.**—Seek connections with makers of petrol and heavy oil boat motors, 15 to 8 h p.

- (535) **Turkey.**—Seek to represent manufacturers of textile goods, yarns, cloths, hosiery. Correspondence French.
- (536) **U.S.A.**—Desires to represent manufacturers of leather flat goods, cigarette cases, bill-folds, men's belts, leather picture frames, wallets, leather jewel boxes, and small leather novelties, on a direct representation basis and also on a jobbing basis

(b) British Firms seeking Foreign Connections.

- (537) **Paper and Stationery Goods.**—Important manufacturing firm invites enquiries from overseas houses specialising in the importation of these lines
- (538) **Yellow metal, tin sheets, galvanised sheets, etc.**—British exporters seek connections with buyers in India, South Africa, Australia and New Zealand.
- (539) **Carded woollen yarns**—Important spinning company wish to appoint agents in Saxony, Rhineland, Hesse, Lausitz, Alsace, Czecho-Slovakia.
- (540) **Gramophone Needles and Main Springs**—Sheffield manufacturers seek agents in Sweden, Holland, Spain and Japan
- (541) **Wire and Hemp Ropes**—Newcastle firm is open to appoint agents in Holland, Dutch East Indies and other markets
- (542) **Household and advertising novelties.**—London firm seeks Continental agencies for United Kingdom.

(c) Foreign Manufacturers seeking Agents in Great Britain.

- (543) **Cycle lamps**—German manufacturer seeks agent
- (544) **Electric cycle lamps.**—German maker seeks agent
- (545) **Razor blades.**—Solingen firm wishes to be represented.
- (546) **Porcelain goods**—Silesian firm seeks connection with importers
- (547) **Surgical instruments**—Frankfort house wishes to appoint agents
- (548) **Sanitary goods.**—Chemnitz firm seeks agents.
- (549) **Writing and school materials**—Austrian firm seeks connection with reliable agents.
- (550) **Round and oval picture frames.**—German manufacturer, who is already selling successfully in England seeks active agent who must be well introduced with wholesale buyers.
- (551) **Improved advertising transparencies.**—Munich company which owns the British patent relating to an important improvement in advertising transparencies, which enables the use of ordinary paper posters and bills as transparencies, at a very low cost, and with great illuminated advertising possibilities, is prepared to start a company which could acquire and exploit this patent. Interested parties should apply soon.
- (552) **Automatic Rotary Stencil Duplicator.**—Berlin manufacturers are anxious to organise sales in Great Britain. Their machine commands huge sales on the Continent. They are willing to co-operate actively with a company which could organise the sale of this machine.

Over-Production and Under-Consumption.

(Continued from page 256)

to the making of capital goods and the proportion expended on consumption goods. The national income, however, being unequally distributed, so the argument goes, some people have a large surplus of income over their requirements, while others have a deficit. The greater part of the surplus is either deposited with the banks (which of course lend it out again) or invested directly in industry. In any case, the savings are largely employed in acquiring raw materials and instruments of production.

The theory goes on to show that the balance between the supply of capital goods and the demand for their products is upset. The numerous machines and other means of production are capable of turning out far more goods than the mass of the consuming public can afford to buy. Had the total income been better distributed to begin with, there would have been fewer capital goods produced and more consumption goods demanded.

At this stage the theory becomes similar to the over-production theory previously outlined. There is a glut of commodities in the market, the rate of production slows down, and depression and unemployment continue until such time as the rate of consumption overtakes that of production.

The over-savings or under-consumption theory, as stated, has a certain socialistic appearance, comparable to the earlier belief that the trade cycle is due primarily to the absence of co-ordination among producers. The obvious implication of the theory is that if the social income were better distributed among the various classes, the proper balance between savings and spending would be more readily achieved.

The idea of over-savings, however, is not confined to this school, for there are many authorities of quite a different outlook, captains of industry among them, who are inclined to the belief that under present conditions there is a real fear of an undue proportion of the total income being locked up in capital goods, leaving too little to be expended upon their products. They do not advocate, of course, that a special virtue attaches to spending as opposed to saving, but submit that a greater volume of *wise* expenditure would be in the general interests.

It is significant, however, that both schools should place emphasis upon the reactions of consumption in their attempts to explain the periodical movements of trade. It is no less important that they should lay stress upon the character and composition of the consumption, an aspect of the subject which has been too often disregarded in the past.

Over-Production and Under-Consumption.

By H. A. SILVERMAN, B.A.

WE observed in a previous issue that conditions of trade tend in general to pursue a cyclical course, and that the average period for the ebb and flow works out at about seven or eight years. We were content, at that stage of our inquiry, to indicate the main characteristics of the trade cycle, without specifically attempting to probe the causes. But, while describing the events of the upward and downward movement, we could not help noticing certain factors which, on further investigation, might prove to have some casual relation to the periodical fluctuation.

There is no unanimity among business men and economists as regards the origins of the trade cycle. Some stress the purely industrial aspect of the problem, others the financial, others again the psychological. It is a subject on which much thinking has still to be done. Certain branches of economics are admittedly "academic," and in the present stage of the science do not permit of much practical application. But the question with which we are now dealing is of real and urgent significance. If the causes of the periodical movements of trade and employment are discovered, business leaders and public administrators will be better equipped for the task of "ironing out" the fluctuations of industry, and so preventing many of the troubles that attend the periodical depressions.

LACK OF CO-ORDINATION.

A large body of opinion attributes the cyclical course of trade to the supposed defects in our economic organisation that bring about with a certain regularity conditions of over-production. The term needs careful definition, for in a sense over-production is impossible so long as people's wants remain unsatisfied. As used here, however, the word indicates those conditions under which goods are produced in excess of the amount that can profitably be sold on the market. The desire for the goods may be present, but unless the potential consumers have, as it were, the money in their pockets wherewith to translate their desire into an effective demand, the goods remain unsold. Any prolonged discrepancy between

supply and demand is liable to result in dislocation and possibly in a severe crisis.

Over-production may be brought about by two main sets of factors, operating to some extent in conjunction with each other. It may be due, firstly, to the lack of adequate co-ordination among producers. Secondly, it may be occasioned by too lavish provision of credit facilities.

Firms in competition with each other may not be aware of the extent and character of their rivals' output. Particularly if prices are rising, they are all individually anxious to obtain as big a share of the market as possible. New works may be constructed and fresh plant installed. Such a state of affairs may easily culminate in a glut of goods being thrown upon the market, with a consequent fall in prices and heavy losses. Production is slowed down, or even stopped altogether, and the volume of unemployment is increased. Gradually, with the reduced prices, consumption is stimulated and begins to absorb the surplus stocks of goods. Ultimately there is an actual shortage of goods, and prices begin to rise again, starting the cycle of trade afresh.

It should be realised, however, that, while over-production may be the fore-runner of depression, it may be more of a symptom than a cause in itself. The fact that there is a surplus supply relative to the demand does not necessarily imply that the error lies entirely on the side of production. As we shall point out below, faults on the side of consumption may be equally responsible.

STATE CONTROL OR TRUST CONTROL?

The absence of co-ordination among producers evokes suggested remedies from two opposed quarters. On the one hand the Socialist condemns the overlapping of functions and urges a scheme of State supply, which, he maintains, will be exactly apportioned to the demand. On the other hand, the supporter of the Trust advocates the amalgamation of the firms in competition, and the control of production from the central office of the organisation.

The socialistic and the ultra-capitalistic proposals have this in common, that they both aim at

substituting monopoly for competition. One object is to secure economies of administration and production. The other, with which we are at present mainly concerned, is to regulate the total supply in strict accordance with the capacity of the market, and so prevent periodical over-production and depression.

Incidentally, it may be noted, the modern Socialists are not altogether opposed to the trustification of industry. Indeed, many of them take pains to welcome every development in industrial combination, whether of the "horizontal" type, i.e., amalgamation of firms engaged in a similar line of business, or of the "vertical" type, i.e., amalgamation of firms engaged at different stages in the production of a commodity. Some of them favour these combinations on the grounds that the resultant economies more than outweigh the recognised drawbacks. Others frankly regard the Trust as a step towards State ownership. The concentration of direction in the hands of a few people, it is maintained, renders it easier for the State eventually to intervene and take over full control of supplies.

CREDIT AND OVER-PRODUCTION.

A popular contention in recent years has been that the alternating periods of prosperity and depression are due in some degree, if not entirely, to the operations of the credit system. The argument may be briefly summarised. When trade is improving and prices are rising, manufacturers approach the banks for accommodation to enable them to extend their output and so take advantage of the improving market. The provision of credit serves in effect to increase the total purchasing power in the community. The demand for goods goes ahead of the supply, and prices rise still further. Again the banks are besought to provide fresh credit, partly because manufacturers still wish to increase their output while prices rule high, and partly because, with the rise in production costs, the loans originally granted are found to be insufficient.

Such conditions cannot continue indefinitely, and sooner or later some of the manufacturers find themselves in difficulty. The market becomes glutted, and stocks cannot be disposed of without sacrifice. Producers have incurred financial obligations which a few of them cannot fulfil. The banks are approached once again, but this time they are not so generous. Their deposits already show signs of dwindling and they have to safeguard their own interests. Instead of providing new credits, they may call in existing loans. Amidst this industrial dislocation and financial stringency one or two large firms become bankrupt, and their insolvency involves

the failure of other firms with which their interests have been interlocked. The upward price movement has been checked, and, due on the one hand to the wholesale disposal of stocks in order to raise ready cash, and on the other to the restriction of credit and therefore the demand for goods, the downward movement gains in momentum until the whole of industry is in a depressed condition.

To go into the details and implications of this question would take us well beyond the bounds of the present article. There is acute difference of opinion as to the power of the banks in determining industrial conditions, and there are some who flatly deny that the banker exercises an undue influence over the national fortunes. This discussion must be left over for a future occasion when space will permit of the fuller consideration that the subject deserves.

THE UNDER-CONSUMPTION THEORY.

As intimated above, the causes of the trade cycle may be sought on the side of demand as well as on that of supply. An ingenious theory has been submitted which lays chief stress on under-consumption. The fact of over-production is not denied, but it is given a subordinate place.

A distinction is drawn between capital goods and consumption goods. By the former is meant those instruments of production which are employed in the provision of further wealth. By the latter is meant those "final" goods which yield a direct utility to the consumer. Thus a sewing machine would belong to the first class, and a garment to the latter.

To quote Mr. J. A. Hobson, who has developed this theory very fully, "There is only one sort of maladjustment of economic forces adequate in nature and magnitude to explain the actual phenomena—viz., a normal tendency to apply to the production of capital goods a proportion of the aggregate productive power that exceeds the proportion needed, in accordance with existing acts of industry, to supply the consumption goods which are purchased and consumed. In other words, if there exists a normal tendency to try to save and apply to capital purposes an excessive proportion of the general income, we have a valid explanation of the actual phenomena of fluctuations and depressions."

THE ECONOMIC BALANCE.

The theory states, in effect, that there is under ideal conditions a certain balance between the proportion of our national income that is devoted

(Continued on page 254)

£3,250 A YEAR SAVED.

Great British Firm's Scientific Test of The Dictaphone

By THOMAS DIXON, F.I.P.A.

Managing Director, The Dictaphone Co., Limited.

A famous British firm, one of the greatest in industry, whose product is known in every quarter of the world, has made an exhaustive test of The Dictaphone, carried out on scientific lines.

Their correspondence under the shorthand system, they found, cost £1,610 a year. The Dictaphone did the work for £686, a saving of £924 on a single year.

Developments have brought increased work and the firm say:

Our annual saving by using Dictaphones now amounts to £3,250 a year.

The Dictaphone Company have permission to give to anyone interested the name of the firm and a full copy of their report.



IT is impossible, in the space here available to give more than the salient features of a fully detailed report. It may be said, however, that no more convincing proof has ever been given of the value of the Dictaphone as a saver of time, labour and money.

The report is entirely independent. Its accuracy cannot be impugned. The mere name of the firm by which the test was made is sufficient to guarantee its authenticity.

When the test began the position in the firm's correspondence department (writes "D.G.D." by whom the report is signed) was

Correspondents	... 13 men.
Shorthand Typists	... 8 girls.
Weekly output	... 10,000 lines.
Lines per typist	... 1,360.

"This output was admittedly low," says the report, but

"the correspondence was semi-technical in character, and a very high standard of excellence was required. The correspondents were much interrupted and we knew that much of the typists' time was spent in idleness whilst they waited for the correspondents to resume their dictation."

"RESULTS MOST SATISFACTORY."

The first step in the test was to ascertain

- (1) Whether the Dictaphone was, mechanically, a sound proposition;
- (2) Was the typists' output greater?
- (3) Could correspondents dictate as quickly to the Dictaphone as to a shorthand writer?

For test purposes Dictaphones and a typist were provided by the Dictaphone Company. Then, "D.G.D." proceeds:—

"After having the machine explained to me I dictaphoned all my correspondence for a week. I purposely dictated quickly and slowly, loudly and softly, and the typed results were of a uniform high standard of excellence."

As a further test different correspondents were set to use Dictaphones under close supervision: "The results were most satisfactory."

THE "CONVERTED" TYPIST.

Now came a more severe test. Hitherto the typing had been done by



MR. THOMAS DIXON, F.I.P.A.

a trained Dictaphone operator. One of the firm's own typists, after only a few hours' practice, began to transcribe.

"She did it successfully (says the report), and although she started with a strong bias against the Dictaphone she had to admit that she had not experienced any difficulty in transcribing my cylinders. Shortly afterwards she said that she actually preferred to transcribe from the Dictaphone than from shorthand notes."

Then came the problem of comparative output. Under the shorthand system the average weekly output per typist was 1,360 lines.

"The Dictaphonist's output was recorded by myself personally, and during the first week her output was 3,318 lines. Later she had no difficulty in maintaining 4,000 lines per week."

ONE DOES WORK OF THREE.

The practical result was that "we decided that in our particular office one Dictaphonist could, as soon as she got to know our work, do the work of three shorthand typists."

It was realised, the report remarks, that it would be no economy to make a saving in the typists' office, if by so doing more of the correspondents' time was occupied.

This reasoning is entirely sound: the Dictaphone Company has emphasised

the point for years. The saving effected in the typing department is trivial compared with the saving brought about by facilitating the work and increasing the output of the higher paid executive staff.

Was it possible, asks the report, for the average correspondent to dictate as rapidly to the Dictaphone as to a shorthand writer "letters which were intricate, calling for thoughtful dictation and with frequent alterations?"

"NO REGRETS."

Here is the answer—

"We found that the Dictaphone saved their time and that they not only got through the correspondence more quickly, but that even when two men shared one machine the machine was close at hand when they wanted to dictate. They had not to waste time telephoning to the typists' office several floors away for a typist to be sent to them."

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To-day, owing to business expansion, the "correspondence position" of the firm is:—

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Dictaphonists	... 10 girls.
Average weekly output	30,000 lines.
Average weekly output per girl	... 3,000 lines.

"Our battery of Dictaphones has grown in proportion. Throughout this period of expansion we have not suffered any inconvenience and our annual saving by using Dictaphones now amounts to £3,250."

This remarkable report must carry conviction to any business man. In proportion to size the Dictaphone will work a corresponding economy in any business. Write to-day for the name of the firm—a household word all the world over—and a full copy of the report. The Dictaphone will do for you what it has done and is doing for others.

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Telephone: Regent 1460

Business Organisation Magazine

*A Monthly Magazine devoted to the Organisation,
Management and Administration of Industry and Commerce.*

Edited by FRANK TOZELAND.

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which are invited, must be fully educational and embody "Convertible Ideas." Only first-class matter accepted. Typescript essential, accompanied by stamped addressed envelope.

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Readers are invited to communicate with the Editor in connection with any article appearing in the magazine, and upon which they desire further information.

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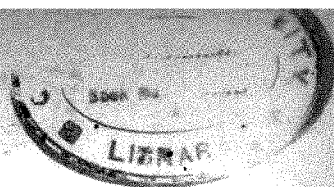
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Editorial Notes.



"Service to the Uttermost."

THE present issue of "B.O.M." marks a definite stage in progress. Our consistent support of British commercial interests has received a first instalment of reward in the character of the magazine this month. By the consent and with the collaboration of, the London Office of the Leipzig Fair, this number is the Guide to the British Exhibits at Leipzig Fair, to be held next month. We may modestly claim to have done justice to the occasion. No other business journal has previously made the same kind of attempt, nor has anything like a similar degree of success been attained. It now remains but to complete the work undertaken, by unstinted Service at the Fair itself. Every detail of this has been arranged. British Exhibitors may be placed in contact with buyers of all nationalities. Facilities will be given for overcoming the language difficulty. Every service which an Exhibitor can possibly require may be obtained at the "B.O.M." Stand. There will be given our interpretation of the slogan we have adopted in all sincerity, "Service to the Uttermost." Unfortunately, in the rendering, this service meets with many difficulties, which in spite of the efforts made, prove oft-times insuperable. An example is found in the "Who's Who." Names of Exhibitors, the number of the Stand, and the Halls in which they are placed, together with an enumeration of their Goods and Services, are printed in two languages in parallel columns. These details have been derived from the replies received to our Questionnaire, which was sent out to every Exhibitor, and the amount of information furnished is determined entirely by that received. Thus the Service has been strictly impartial. At the end of "Who's Who" are enumerated a number of other Exhibitors without detail. These failed to respond to the request for information, in spite of a letter from the London Office of the Leipzig Fair followed by three of our own, with a Questionnaire. British enterprise can never receive its due reward while such inaction is indulged. In accordance with our policy, such Editorial notice could not be bought, and so there arose no question of payment. It was inspired solely by our desire to make the Guide as complete as possible in the interests of British business.

* * *

Postulating a Principle.

THIS inexplicable lethargy on the part of British traders has been flogged by all and sundry on every possible and impossible occasion. We have no desire to add to the flood of invective, but as a Journal which is not only animated by a sincere

desire to improve the present position in our country, and which is in such close contact with the possibilities that we realise what is being missed through neglect, we should be failing in our duty if the present occasion was passed without comment. The industry and commerce of this country are saddled with a responsibility extending far beyond their material interests, and personal profit. As custodians of the welfare of thousands of their fellow men they have no right to miss opportunities through lethargy and inattention. This is a view we have always strongly held as a principle, and the opinion is expressed with a due regard to our responsibility. It is also expressed in the full light of knowledge. May we ask, as some measure of reward for our efforts, that readers will take fuller advantage of the Services available to them as subscribers to the magazine, not only at Leipzig Fair, in connection with it and at home, but on all occasions when their interests can be served.

* * *

Trade Services Inverted.

WHAT is the degree of Service expected by members from their Trade Societies, and conversely, what is the duty owed by Societies to such members? This observation is prompted by two curious incidents, widely separated, which have come under our notice. In one case, the Society received a request on behalf of a German trader for the rates of advertising space in the Society's organ. For the purpose of selling British goods in Germany he desired to represent as Agent, some British manufacturers who were not already directly represented in Germany. The reply was given that no German advertisements were accepted. It was pointed out that this was not an offer of German goods for import into this country, but that the objective was the sale of British goods in Germany. All to no purpose—the answer was the same, the Society did not accept German advertisements for their journal nor was any query made as to bonafides. The interesting point which emerges is that members of this powerful Society are engaged either directly or through Agents in this very practice of selling goods in Germany, and some with extraordinary success. Sentiment and principle command respect, but this seems to us an inversion of the duty of a Society to its members. In the case of another Society, all correspondence in a foreign language was ignored because of the cost of translation! Comment is impossible. If British business attains any degree of success in spite of circumstances of this description, what enormous possibilities could be opened up by a more enlightened policy!

LET us now recount something more pleasant. Most people associate Panama with the Canal—or hats—according to their degree of knowledge. Very few are aware of the possibilities of Panama for investment purposes, and especially of the fact that Panama possesses resources and natural advantages which make it potentially one of the richest regions in Latin America. Added to these is its ideal position for all-water communication with every part of the world. Another advantage, from the point of view of the outside investor, willing to undertake development, is that the great national pastime is “sitting down.” The result is that action is delegated to more energetic people, and outside the ten mile zone either side of the Canal, controlled by the United States in the interests of the Munro Doctrine, concessions have been granted to various Corporations for the purpose of working the precious metals with which the country is abundantly endowed. It is odd, in a country so inevitably American in its destiny, that the only large mining enterprise under way is a British undertaking. This is the Panama Corporation, Limited, with a £2,000,000 capitalisation, and it is interesting to learn, both from this side and from the U.S.A. that considerable progress is being made, although naturally the Corporation's operations are still of a development nature. For the systematic development of the gold-platinum area east of the Canal, a subsidiary Company has been formed known as “Panama No. 1,” with a share capital of £180,000. We understand that as the result of the independent and authoritative opinion expressed of the Company's operations and possibilities, the Shilling Shares have already gone to 4/6 and the £1, 10% Preferred (Standing at Par) are much in demand. The Company's prospects of success have, quite naturally, excited a good deal of interest in America, and there is little doubt that American interests would prefer to see this shining example of British enterprise eliminated from the Western Continent. Having regard to the type of personnel behind the venture, there is little likelihood of this happening, and we set the details forward as a pleasing contrast to the incidents we have recounted of a reverse type.

* * *

A YEAR ago, greatly daring, we criticised certain aspects of the Business Efficiency Exhibition. To-day, we are in the pleasant position of being able to congratulate the promoters upon at least one outstanding improvement. They have taken a Hall infinitely more worthy of their efforts, and we wish them the utmost success. An examination of the Exhibition will be necessary before it is possible to assess the value of other improvements. At the moment of writing, no details of the Exhibition

have reached us, and we are therefore not competent to pronounce any opinion whatever. In the March issue, we shall deal very thoroughly with the Exhibits and their application to business organisation. No one engaged in commerce should fail to visit Holland Park Hall.

* * *

A Legal Service.

HOW much of Law does the business man need to incorporate with his action? It is certain that he views the necessity, with some disfavour. This attitude seems to result from his use of the Law as a cure instead of a preventative. Fortunately the present decade has seen the rise of a number of men in the Legal fraternity who view Commerce, in its right relation to Law, and not as a feeding bottle. Pursuing this line of thought to the point of action, we are in the happy position of being able to announce to our subscribers the addition of a Legal Service to the several amenities now enjoyed by them. Stated briefly, it means that at no cost to himself, a subscriber may obtain through the Editor Legal advice of the highest order, upon any question connected with his business. If action should be ultimately involved, he will be given as accurate an idea as possible of the costs. This Service has been arranged to cover every possible contingency, from the simplest question to the most complex. Its ramifications will be extended to every country of the world. Subscribers can be placed into touch with members of the Legal profession of other countries, who correspond in English. This will enable them to avoid many of the pit-falls which beset the path of the business man, through a lack of knowledge of the requirements of the country in which he is doing or proposing to do business. Like many other “Business Organisation Magazine” features, it is unique in its scope and application, and subscribers are invited to write us for full details.

* * *

The State and the Telephone Service.

THE Telephone Development Association, which held its third annual meeting last month, is a propagandist body, its members comprising upwards of 130 British firms engaged in the manufacture of telephone apparatus and allied equipment. The principal object of the Association is to promote by publicity and otherwise the more extensive use of telephone facilities in this country. It is rather interesting from the business point of view to reflect that though the provision and administration of the telephone service is in England a revenue-producing activity of the State, undertaken by the Post Office, these private traders find it necessary for the development of their business as manufacturers, to

supply what is apparently lacking in the Post Office, viz., the initiative and enterprise required to drive home to the public the advantages of the telephone and thus to extend its use. This surely is an ironical situation for our friends the Socialists! Incidentally, the average annual increase in telephone installations for the three-year period 1925-27 was 117,839, an increase of 34 per cent. over the increase recorded in the comparative period 1923-25, and this growth was estimated by Sir Alexander Roger, chairman of the Telephone Development Association, to mean additional revenue to the Post Office from rentals and calls amounting to half-a-million sterling a year. No doubt the growth and success of the telephone service will in due course be held up for our admiration as a triumphant example of State enterprise!

* * *

The Aftermath.

THE report of the Chief Registrar of Friendly Societies for 1926, issued last month, shows that registered trade unions suffered a loss of 300,000 members during the year under review. At the end of 1926 the total membership was 4,146,000 as compared with 7,000,000 in 1920. In consequence of the General Strike their total funds were reduced from £12,750,000 to £8,650,000, a net drop of £4,100,000. The figures are sufficiently impressive. The bitterest extremist will be hard put to justify them. It has cost something to dissipate the phantom threat of the General Strike, but if it has effectually discredited the authority of the direct actionists in trade union councils the money will have been well spent.

* * *

The Investment Trust Movement.

THE rapid growth of the investment trust movement is one of the outstanding features of modern finance. Less speculative than the ordinary industrial enterprise, and infinitely so than the purely finance company, their operations have in many cases been successful, at least

scription to £200. Dividends are paid free of income tax, but they must of course be declared in the recipient's tax returns, and are subject to tax if his income exceeds the exemption limits. A disadvantage is that the shares are not marketable on the Stock Exchange, though we understand there is no difficulty in disposing of them through the medium of the Trust organisation. It may be added that the co-operative investment trusts are now receiving the flattery of imitation, and last month a newcomer in the field called the General Co-operative Investment Trust, organised on similar lines, was floated. The board includes an ex-Cabinet minister in the person of Sir Arthur Griffith-Boscawen, Sir Allan H. Burgoyne, M.P., and Mr. C. H. Villiers, the director of the Royal Insurance Co. Sir Gilbert Garnsey is the auditor.

* * *

Last Year's Company Registrations.

ACCORDING to the annual summary published by Messrs. Jordan & Sons, Ltd., new public company registrations last year totalled 569, representing a nominal capital of £121,129,000, as compared with 502 in 1926, covering a nominal capital of £144,060,000. The difference in the respective totals of nominal capital is accounted for by the fact that 1926 included the Imperial Chemicals registration, with a capital of £65,000,000, though this did not involve any new cash subscription from either the shareholders or the public. A similar fact applies to the Vickers-Armstrong amalgamation, which was floated last year, with a nominal capital of £18,000,000. Private company registrations in 1927 at 7,830 compared with 7,295 in the previous year, though the nominal capital at £52,034,000 was £6,504,000 less. Public interest in greyhound racing is reflected in the flotation of no fewer than 131 greyhound racing companies, involving a nominal capital of £3,774,000. How much of this capital has been already lost it would be hard to say, but certainly a considerable amount, in view of the critical attitude recently

misconception in the practice so frequently recommended of setting out in balance sheets and prospectuses the values of the assets of a business, and of distinguishing between goodwill and the fixed and current assets under various headings. He pointed out that it was only in the rarest instances that the values attributed to the fixed assets and to stock could be realised apart from the goodwill. Experience had shown that when a business ceased to be carried on or became unprofitable, factories and machinery, through the heavy expense of upkeep, became almost liabilities rather than assets. He also suggested that the principle of the number of years' purchase was not a primary factor or even a reliable standard of measurement in the valuation of goodwill, despite the increasing tendency to adopt it. The vital factor was the yield on the capital to be invested, and when this was settled it did not matter whether in the price paid the goodwill represented one, five, or even ten years' purchase of the profits. The ascertainment of this yield was effected by reference to what were considered to be the "maintainable profits," after examining the results of a sufficient number of years' trading, and taking into account future risks and possibilities. When the yield had been decided upon, it provided the purchaser with the maximum price he was prepared to pay for the business, including both tangible assets and goodwill. For example, assuming the maintainable profits of a business were £500,000 per annum and the net tangible assets were valued at £1,000,000, a purchaser might require a yield of 10 per cent. upon his capital if invested in this particular business, and the maximum price he would be prepared to pay would be £5,000,000.

* * *

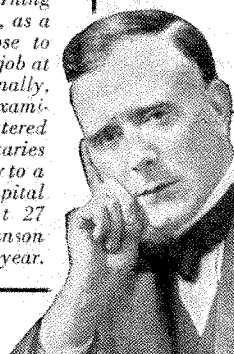
Goodwill never a Permanent Asset.

THE outstanding point made by Mr. Leake was that the cost of purchased goodwill should be treated as an expense of the period in which it was acquired.

Biography No. M.697

When Manson enrolled as a student of The School, he was earning £80 a year. Then, as a trained man, he rose to a more responsible job at £250 a year. Finally, after passing the examination of The Chartered Institute of Secretaries he became Secretary to a company with a capital of £1,000,000. At 27 years of age, Manson earns about £600 a year.

J. D. C. Mackay
Principal, The School
of Accountancy



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**Credit for Capital Goods—Mr. McKenna and Instalment Buying
—The Private Citizen's Credit—A Balanced System of Cash and
Credit Trading.**

By OUR FINANCIAL EDITOR.

THE opening weeks of 1928 have been pregnant with good for trade. At last, after years of depression, we in this country seem to have got to a stage when a universal push will start the ball of progress rolling. In this month's article I do not wish to stress the financial factors which have been the subject of recent ones. These factors, as I wrote in January, have now taken the bit between their teeth and have broken from the paralysing control of the Bank of England. As an instance of this one need only look at the discount rate. The Governor of the Bank tried to enforce the fixing of the discount rate for 90-day fine bills at $4\frac{1}{8}$ per cent., which means of course that he wished to ensure that anyone having a three months commercial bill, fully endorsed, to sell should not be able to get more than about £98 18s. $5\frac{1}{4}$ d. per £100 for the bill. But the money market wanted the bills very badly and bid over £99 for them. Then the Bank of England sold its own bills to make money tight. And money could not be made tight. The next step will be that the Bank must reduce its own discount rate.

Money conditions in a country are for trade what the waters are under a boat, that is to say, if they are not steady and favourable, plain sailing is not possible. The fact that your money conditions settle down does not of itself mean that your boat will speed ahead. The boat must go of its own internal motor power. I have held for years that all the facts prove that there is nothing wrong with the ship of British trade and that what has prevented its sailing bravely forward has simply been the troubling of the waters round it. In 1928 one expects to see the brave old vessel move like a clipper. Bon Voyage!

On every hand bright first-class brains—to use Lord Birkenhead's phrase—are searching to find in what way healthy stimulation of trade can be engineered. The problem is one of export and home markets. To make the export market consume more British goods is a matter of quality and price, first-class salesmanship, arrangement of credits, concentration on lines of goods the world wants. I should like to go closely into these matters and show their bearing on some of our big industries, but, for special reasons, I want this month to deal with the home and not the export market. Can we do much in the way of increasing home consumption to the lasting benefit of trade? The answer is obvious. We have a population that needs more of everything. I am, of course, not including City magnates in that assertion; what I intend to convey is that, except for about 1,500,000 out of our population of 42,000,000, few people can afford any real luxuries, and about ten millions cannot afford comforts. This is not an inevitable position. It is simply the result of very bad organisation and of "funk" in the national financial policy. Indeed, the paradox of it has not yet been exhausted; for we have in this country all the necessary machinery to supply all the people suffering lack of comforts with what they need and should have.

"Looking Forward to the Past."

Now glance at what some of the economists have said about our capacity of production. Mr. J. M. Keynes and the cotton trade for instance. As far as I am aware, and I read Mr. Keynes

closely and faithfully, he has never said "Find a means of distributing among our own people who need cotton clothing the goods they need and so restart idle cotton machinery." But he has argued with all the pungency of a very sharp pen and tongue that the cotton trade does not know the true facts concerning itself and that it has—save the mark!—a surplus of machinery. Other economists—dear and harmless persons, whose literary productions read like undecipherable Coptic inscriptions—have tried to support Mr. Keynes, but that has been neither here nor there for nobody has had the slightest idea what they meant. This barbaric notion that the means of production are too large when there is a hunger for the production in every mean street of a country which has not learned to look after more than a quarter of its population forces one to think that the economics of the schools is a science which marches backwards and is now at a point somewhat previous to Adam Smith. Mr. Keynes burned his fingers with the Cotton Yarn Association (incidentally I was the only London writer on trade subjects who foretold from the start the breakdown of its plans) and afterwards his weekly review "The Nation" accused those energetic flounders of having gone silly. But, as a matter of fact, "it was the dog that died." Following their instinctive repulsion of the idea of permanent belittlement and failure the cotton masters, even if they cannot spill out statistics and write with a savage clarity, were doing a service to themselves, their trade and the country.

"Years which the Locust hath eaten."

The need in the home market is purchasing power. Long years of trade depression have created a situation in which millions of the population have no money for anything but necessities. The towns of the North East coast, of South Wales and of Lancashire are threadbare of money. I speak of what I know from personal visits and enquiries. The whole country with the exception of a few luxury trades is below par in this respect. How can purchasing power be distributed? I want to be very clear on this subject, because I do not wish to run any risk of seeming to give any support whatever to ideas of issuing currency as consumers' credits or any direct inflation of currency. There is a school of social credit reformers who make out a case for such processes of stimulating the distribution of goods. I do not belong to that school.

In the United States consumer-credit has in the past five or six years been distributed by what I believe to be essentially sound means to the growing wealth and comfort of their people. Only recently has any detailed report reached this

country of a speech Mr. Reginald McKenna, chairman of the Midland Bank, our biggest bank, made on this subject in Chicago some time ago. Mr. McKenna confessed that as a banker he was alarmed when some years ago he first noticed the spread of instalment selling in America. He studied the subject at first hand and he found (1) instalment sales were only one-sixth of the retail sales, (2) instalment debt only one-fifteenth of total retail sales in any one year, (3) losses are insignificant, (4) deposits in banks nearly doubled during growth of instalment selling, (5) savings deposits increased 50 per cent.

Heterodoxy.

This made Mr. McKenna think. And he points out—let us applaud his heterodoxy—that a man buying an article, say a motor car, with cash down, pays in advance for its future life. Now listen to this: "If banks lend their assistance to production enabling the producer to produce in quantity, and refuse all assistance to the consumer—I do not mean for consumable goods but for lasting goods, goods that have a survival value—the result is that the consumer cannot buy; he has not the means to buy all that the producer can produce. And in consequence you get a condition with which we are only too familiar—warehouses and shops stacked with goods, any number of people anxious to buy them but without the means. Credit has been used to create the goods, but credit is not used to take the goods off the counter." That puts the position in a nutshell.

And afterwards Mr. McKenna attempted to state a general formula for instalment selling. As a banker and man of business he naturally and wisely insists that credit should not be given to enable the purchase of goods which are going to be consumed forthwith or in the immediate future. His formula is "that there is a good case in argument as well as experience for giving a man credit to enable him to buy goods which are of a lasting value, always provided that the credit will be exhausted before the survival value of the article has gone."

Precept v. Practice.

Many of the opponents of such credit in this country are people who quite cheerfully keep their tradesman waiting three or six months for their accounts. The ways of even very rich men with their tailors are not past all conjecture. A suit of clothes with a well-dressed man has a very short life indeed and I for one would not like to accept its survival value at the time some of them pay the bill. Mr. McKenna's remarks seem to me to indicate such an instalment selling system as would on the one hand create the means of

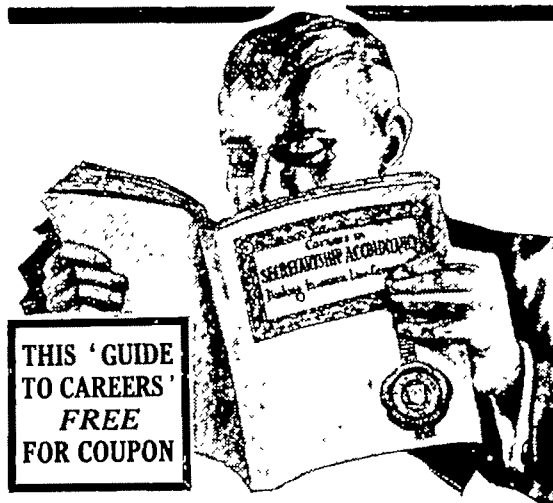
purchase and on the other hand enrich the purchaser with real capital assets, assets which would have a substantial relative value after the last instalment had been paid. What economic fault or danger is there in that?

Take the Bank of England. It issues its I.O.U.'s in the form of Bank Notes. These are debts the Bank owes to the holders of its notes. In the safes or strong rooms of the Bank is gold to cover its notes. This is the capital asset. Every bank is the same, except that the others have some other form of wealth instead of gold as assets. Why should not the private citizen be endowed with credit with which to accumulate assets, so long as he wants only assets which have a long-life value? Well, that is instalment buying. Of course, there is nothing new in it. The economists have just discovered it and are now busy at their familiar occupation of rearching among the dead tongues in order to find a name which will disguise it and be a puzzle to everybody. But business men got wise to it centuries ago. They never expanded it as much as they might because of the fatal caution of opposition of banks. Banks which would help in floating loans for defaulted states and counsel their customers to invest in them, have actually opposed consistently the very idea of treating a British citizen who wanted a house of furniture or a motor car on instalments as being anything but an international swindler. The very essence of banking mentality of this sort is to be an enemy to the progress of anything but finance.

Chambers of Commerce, please note.

Let me summarise Instalment selling can be made a blessing to the country in that it will create employment for the home market and stop deterioration of men through idleness; it will enable people to get capital assets; it will *and must* lead to an increase in real wealth and, through maintaining men at work, create savings or money wealth as in America; it will be better in many cases than the sort of credit which enables certain people to dodge their bills for months and months; it can never rise to a danger if it is limited in the terms of Mr. McKenna's formula. I advocate it as a reform on our present system, and would like to see it coupled, as a set off, with a definite movement by all chambers of commerce and trade against the granting of any credit at all for eatables or other goods which are to be speedily consumed. I can conceive of nothing more beneficial to the community than a widely spread credit for the distribution of capital goods coupled with a definite refusal of credit to the ultimate consumer of perishable goods.

Next month I will return to the Stock Markets and sketch the outlook for the year.



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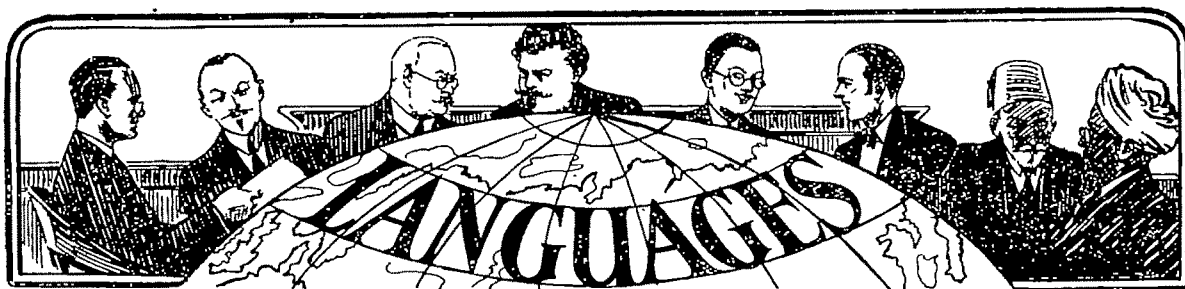
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Feb., 1928

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Dept 122, ST ALBANS.



A "B.O.M." Section to Promote the Study of Languages, for the Improvement of International Understanding and World Trade.

Exclusive to "B.O.M."

By C. W. FRERK,

International Editor, "B.O.M."

THERE is hardly any better assistance to the Editor of any publication than correspondence from interested readers, offering suggestions, or criticism, favourable or adverse, on subjects dealt with by him. We realise this, and we, therefore, appreciate the many letters we have received in response to this section, from readers throughout the country.

Apparently there is considerable misconception on the **WHY** for studying languages, as we have had correspondence from a number of readers who do not seem to derive any material advantage from their knowledge of languages. Indeed, they complain that their knowledge does not appear to be appreciated, nor recognised as an asset worth extra pay or promotion in their position

INSTITUTE OF BUSINESS LECTURES



Commencing in March a series of Lectures will be given in the Library at "B.O.M." offices. Each Lecture will represent a complete entity. Admission by invitation only. Questions and discussion. Subscribers may have particulars upon application to **Lecture Department**

**BUSINESS ORGANISATION
MAGAZINE**

WHY.

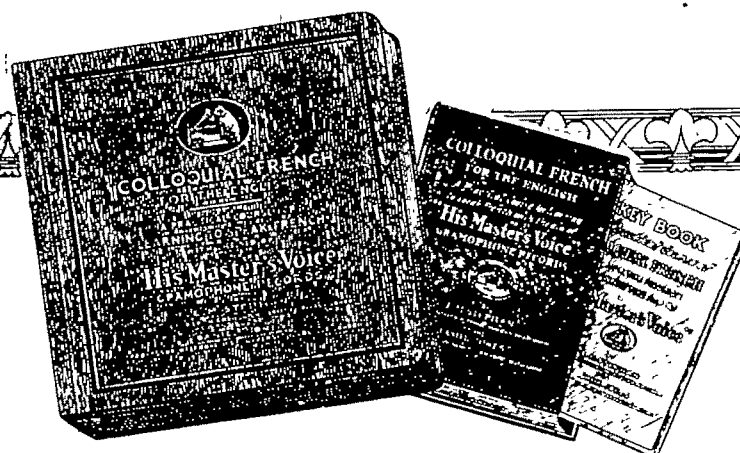
Of course we must be aware of the fact that, in this country, we are still far behind the general recognition of the value of foreign languages as an asset in business. In fact, it is for this reason that we established this Section in our magazine. Because "B.O.M." is first of all a business magazine, we have created this "Language Section," to advocate the study of languages, and their recognition as an asset in business. It is also for this reason that we publish this Section in close connection with our "International Service," as international trade is the main field in which languages are of definite use and value.

EXPORT TRADE AND LANGUAGES



Courses of instruction are being prepared for those anxious to qualify for positions of control in the Export world. Section One will consist of Lectures to Staffs at the Works. Section Two obtainable by correspondence only. Ask for particulars from **International Service Department**

**BUSINESS ORGANISATION
MAGAZINE**



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Extract from "Business Organisation Magazine"

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After we ourselves have investigated the problem which some of our readers seem to face, and by reason of our experience when trying to engage competent foreign language typists, we come to the conclusion that too many linguists or would-be-linguists have studied or are studying languages merely for the languages' sake, without combining this study or knowledge with a study of related subjects or activities, in which the knowledge of languages is and must be a recognised asset.

STUDYING WITH A PURPOSE.

To study languages for languages' sake can only offer private or social advantages with no immediate material return. Linguists who have acquired languages on this basis, are generally found incompetent in the application of their knowledge to the most simple commercial tasks. If one wishes to be competent in the use of a foreign language, it is absolutely essential to combine this study with a comprehensive study of say the country and the people whose language we learn, their customs, ways, habits, their mode of living, their literature and history, their commercial usages and terms. We must read their newspapers and trade journals, study their general economic development and tendencies, etc., etc.

However thoroughly you may have studied a language, however large your vocabulary may be, you will fail to write a correct commercial letter in that language, or translate an advertisement or a piece of sales literature, unless you are acquainted with the commercial usages, expressions and construction of phrases of the particular country. That this aspect is neglected is proved by the fact that, although there are many linguists who can translate from a foreign language into English, there are comparatively few who can write an acceptable letter in a foreign language; this is, naturally, the more difficult side of all languages, but it is the more valuable and materially more beneficial knowledge.

A TRADE PAPER SUPPLIES THE ANSWER.

How essential this combination of studies is, has been exceptionally well expounded by an article in the last issue of "*The British Printer*", on *Foreign Languages and Printers*, which we have permission to quote

The writer says:

"To a large firm of printers, the services of someone in the office with linguistic abilities is almost imperative. Nowadays so much of the success of a business depends upon keenness, not only in buying materials, but in observing the trend of affairs in order to keep abreast of inventions and improvements, that constant watch should be kept on foreign journals.—

A firm with an advertising department wherein copy and lay-outs are prepared for international advertisers, needs the service of a linguist more perhaps than in any other department. It is patent that each country has its own particular style of typography—France her light, flippant advertisements and seemingly unfinished illustrations, Germany her black, harsh style with its massive, almost overwhelming designs, Spain her indifferent, twenty-year-old typography and "arty" illustrations.

"Naturally, so far as it is possible, the English compositor must set up in the typographical style of the country in which the printed matter or advertisement is to appear. Remember that stereotypes only should be sent to foreign presses, and there is a difference between our type height-to-paper and that existing on the Continent.

"The use of linguistic knowledge is of monetary value to the compositor and reader. A mere knowledge of the alphabet, and perhaps of the construction of the language is not sufficient, unless an intelligent understanding of how to divide words for turn-overs and make correct abbreviations is acquired. There are many typographical practices in the modern languages which present certain difficulties to the compositor and reader."

After explaining some of these typographical practices, the writer goes on to say that "good posts are obtainable in international advertising agencies where a knowledge of languages and typography combined is indispensable. Printers, too, must eventually make use of this field. The study of foreign newspapers and media, as well as of foreign markets, is a fascinating subject."

SUPPLEMENTARY STUDIES.

No wonder that there are so few printers and advertising agencies who can create and present foreign printed matter and advertisements as they should be. There are too few linguists with that necessary special knowledge.

Did we not emphasise in our first issues that the would-be-linguist should be very decided on the ultimate purpose of his study of languages? If you are in the steel and cutlery trade, and you are learning German, you should at the same time study conditions and practices in the Westphalian and Solingen districts, read such papers as the "*Mitteilungen der Bergischen Industrie—und Handelskammer*", study Solingen export methods industrial and commercial usages, etc., etc. Your employer would certainly not be blind to the value of such a specific asset, because mere translations of incoming and outgoing German letters are not his chief concern. But to be able to adjust his own marketing efforts to foreign requirements, to be able to follow the trend of his Solingen competition—that is a decided asset well worth material recognition.

The knowledge of a foreign language opens the door to the study of the country, its people, its business, etc., and it is *this* knowledge which makes the mastery of a language a paying proposition.

TRANSLATIONS

FROM AND INTO
ALL LANGUAGES.

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Tel. Nos.:

LONDON WALL
0405, 9236,
5989 & 1570.

And VICTORIA
5589.

some of his other interests for some time, such as sports, clubs, amusements, etc. He will have to concentrate on the study of the language and those matters which are related to it. If you are learning Spanish, read Cervantes' "*Don Quixote*" at the beginning a good English translation, and later the Spanish original, and you will experience "Spain and the Spaniards". If you are studying Polish, read Reymont's four-volume novel "*The Polish Peasants*", and whoever learns Flemish, should read Coster's "*Ulenpiegel*" and live through "Flemish land and people".

These supplementary studies are of particular value to students of oriental languages. What good is the knowledge of Turkish or Arabic, unless the student has a conception of the East and Eastern life, giving him the background to the otherwise dead words and phrases?

A PROGRESS TEST.

The more Great Britain strives for world-trade, the more linguists we require. Knowledge of languages must bring ideal and material gain. If you have decided to study languages, do not hesitate, but begin at once. Carry it through to the end, strive for proficiency, which alone can bring material advantages. When you make the "mistake" of talking to the members of your own family circle in the language you are studying, you are on the right road to proficiency.

Traduttore—trattidore . . .

Translator—traitor . . . II.

Which essential requirements has the efficient translator to meet?

First of all, he must be a native of the country whose language he interprets. Where this is impossible, at least the revisor or corrector should be a native, because—

(1) language analysis and experimental psychology contradict the pedagogical assertion that linguists who follow commercial activities, could think in a foreign language. There are linguists who have had an exceptional training, inasmuch as they may have acquired the use of one or two foreign languages in their early childhood. Mother and father may have been of different nationalities; but these cases are very, very few.

(2) it is difficult for any linguist to attain the same degree of virtuosity with regard to the style of a language, as in his native tongue.

The exceptions confirm the rule. There are but very few authors who have written their works in another than their own language. The modern Dutch author Maertens Maertens who has written his novels in English (in order to obtain a wider circulation for his books) is a rare exception. But according to his reviewers, his books give one the impression that the workmen whom he describes in his novels, talk as if they had graduated from Oxford. This proves that the author is incapable of thinking in English.

(3) translations into a foreign language take the average linguist more time to do.

(4) a native will be able to distinguish old and modern expressions and style.

(5) a native can form neologisms

(6) the native has a larger vocabulary

(7) the native knows the "provincialisms" and "colloquialisms" which frequently occur in both general and technical literature.

Of course, this applies only to the educated translator with academical training, who has been engaged for many years in editorial work, and who is well acquainted with the literature of his country.

It is essential too that he should master the languages from which he translates into his native tongue. In addition he should be equally well acquainted with several other modern languages, and preferably also with Latin and Greek, the knowledge of which is essential for scientific, legal and technical translations; many terms are derived from the "dead" languages, others again from various modern languages.

The translator, who knows and fulfills his moral obligations, is, therefore, a specialist. His

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nationality alone is not sufficient proof of his capability; he must have the necessary general knowledge and education to meet his obligations.

This may be said as a warning to those firms who place too much confidence in native translators, merely because they are natives, and also as a warning to those users of translation services who frequently contend that they "*can get it done CHEAPER elsewhere.*"

A B.O.M. SERVICE.

On the strength of our recommendations under WHY and HOW in this month's Language Section, we are offering to advise would-be-linguists on the best means of supplementing their language studies, and help them generally with useful information and hints. We hope that this service will be taken advantage of by many readers.

ANSWERS TO CORRESPONDENTS.

C L H'field—*You find a general answer to your letter in this month's Language Section. If you give us some indication as to the degree of proficiency you have attained in the foreign languages you mention, and as to the particular trade in which you are engaged, we may be able to assist you—There are frequently advertisements asking for foreign correspondents, travellers with a knowledge of foreign languages, translators, in the "Daily Telegraph", "Times", and other London papers. It may also be worth your while to have your name placed on record by the Federation of British Industries, and the Consulates of the countries whose languages you speak—Why not take part in our Language Competition?*

Next month: An article by the PRINCIPAL OF THE BERLITZ SCHOOL OF LANGUAGES.

"B.O.M."

LANGUAGE COMPETITION,

FEBRUARY, 1928.

In order to encourage the study of languages in a practical manner, the Publishers of the "BUSINESS ORGANISATION MAGAZINE" offer three prizes to the three best articles, written on either of the following two subjects:—

A (in French). "WHAT ADVANTAGES OFFERS A KNOWLEDGE OF FRENCH?"

B (in German). "WHAT CAN WE LEARN FROM GERMANY, AND WHAT CAN GERMANY LEARN FROM US?"

PRIZES. 1st Prize:—One Guinea in cash.
2nd Prize:—One year's extension of subscription to "B.O.M."
3rd Prize:—Six months' extension of subscription to "B.O.M."

CONDITIONS OF THIS COMPETITION.

- (a) The competition is open to "B.O.M." subscribers only. Non-subscribers who wish to take part must register as subscribers when sending in their articles.
- (b) There is no entrance fee.
- (c) Each article must not exceed 750 words in length.
- (d) Manuscripts should reach us not later than March 10th.
- (e) The decision of the Publishers in consultation with the International Editor is final.
- (f) Political aspects must be excluded from the articles.
- (g) All entries must be addressed to:—

"LANGUAGE COMPETITION," Business Organisation, Ltd., Granville Chambers, Bury St., London, W.C.1.

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*The Leading
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TECHNICAL TRANSLATIONS

"We have
tried several
Bureaux—
your work is
far and away
the best"—
Editorial,
Leading
London
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BATH HOUSE, 59, HOLBORN VIADUCT, E.C.1.



Commonsense Methods of Business Building.

By CUNLIFFE L. BOLLING,

*Author of "Commercial Management," "Sales Management," etc.
Lecturer in Salesmanship and Advertising to the Polytechnic, London, W.*

XII.—How to obtain Salesmen's Reports.

In this series of articles Mr. Bolling is dealing with problems of sales management. He has already covered selling policies and advertising, and the articles to come will deal with salesmen, agents, showrooms, exhibitions and other important factors in business building.

THE next question I wish to deal with is the much debated one of whether a salesman should be left to arrange his own journeys and calls or whether they should be arranged by the sales office.

It is impossible to treat all salesmen alike in this matter. Some of them need control, others need guidance, but it is not good for any of them to be left to their own devices. They all need to be methodical in their operations and the methods are matters for the sales office.

REGULAR JOURNEYS.

In some trades salesmen make regular monthly visits to every customer, making the same journey or series of calls in the same order month after month. For example, on the first Monday in every month a salesman may have to work Hammersmith, on the following day Ealing and on the Wednesday, Willesden. He can be guided by a typewritten list of customers, which must be

kept up to date and in agreement with the "customers record," and a duplicate of this list can be kept in the office as a guide to his movements.

A salesman operating under these conditions would usually be expected to send in a daily report of calls made, similar to that shown on the next page. This report summarises his activities and the information given is brief, but it is very much to the point and has the effect of making the salesman review his own week's work.

The column giving the value of the orders taken will be particularly useful when the salesman receives a commission. The sales manager should compel the salesmen to deal conscientiously with the columns "Person actually interviewed" and "Position held." These are tell tale columns because the importance of a salesman can always be judged by the importance of the people he is able to see regularly.

A weak salesman calling upon a big business

house may be content to obtain small orders from a minor official, whereas a good salesman would go to a higher authority and obtain important orders.

Any interview of especial interest should be described in a separate letter. If a call is the first one made upon a prospective customer a special "information" report should always be made, preferably in the form described in my article last month.

SEPARATE REPORTS.

In a number of trades, particularly in selling "specialties" or occasional requirements such as machines, vehicles, fittings or appliances, it may

indirectly asks a number of definite questions. The salesman has to say precisely who he saw at the prospective customer's office, the attitude adopted by this individual and the arguments used by the salesman. This forces the salesman to think about the interview afterwards and may draw his attention to his own errors or shortcomings and give him ideas for the future.

If he was "stumped" by the buyer's arguments he is likely to puzzle over the problem and get a counter argument ready for his next visit to that buyer.

MAKING PLANS FOR THE FUTURE.

The report form goes a step further and com-

SALESMAN'S DAILY REPORT.						
Calls made on Thursday 2nd February 1928						
Town	Firm	Customer or Prospect	Person actually interviewed	Position held	Order Value	Remarks
Camberwell	George, A H, Brook Street	C	A H George	Proprietor	£ s d 10 3 9	Separate report Trial order Buyer out Very small shop
	Long & Sons, High Road	C	W East	Manager	21 0 0	
	Bryant, S., The Square	First Order	S Bryant	Proprietor	7 10 0	
	Cummings, B, Church End	C	F Lane	Manager	3 9 0	
	Cox & Smith, Ltd, Fore St	P	Shop assistant		nil	
Herne Hill	Saunders, L. S, Upper St	C	C Hill	Buyer	5 2 6	
	Williams & Jones, West Rd	C	G Jones	Partner	12 10 0	
	Lee & Sons, The Green	P	H Lee	Partner	nil	
					<u>£59 15 3</u>	
Dealt with by F G B. Sales Office		Send in an "Information form" on every first call Send in a separate report on all calls of particular interest			L. Harris Salesman's signature	

be advisable for a salesman to make a separate report for each prospect. Specialty salesmen have to work a prospect up gradually, leading him gently to the purchase of their wares and they have to have the close co-operation of their office.

It is therefore vitally important for the office to follow the salesman's progress step by step and this is the purpose of the separate report. If the salesman's report is carefully worded it can be made to serve an even more important purpose—to force the salesman to think for the future

A specimen salesman's report is given on page 276 and it will be noticed that this form

pels the salesman to make plans for the future. He has to say not only what he intends to do to further the prospect, but also what the sales office should do to help him. There may be many things that the salesman can do to further a prospect, apart from arranging to call again. He may be able to arrange for the prospect to visit a showroom, an exhibition or for an enthusiastic customer a demonstration of his firm's products. He may help matters by obtaining information for the prospect about the use of the article offered, its operating cost or by introducing a skilled operator who will work it, and he might obtain special testimonials from customers on points that the prospect has questioned.

The sales office may be able to help by sending a special letter to the prospect, thanking him for the interview granted to the salesman and confirming any definite proposal made, by sending selected sales literature, by inviting him to a showroom or exhibition, or by preparing plans or specifications.

When several firms are in close competition attentions like these often decide a buyer in favour of a particular supplier.

It may easily be that little can be done in this way so that the salesman reports "I will call again in three months, leave him alone," but in any case he has to take the responsibility of making the decision.

The use of a constructive report form of this kind has a marked effect upon a sales campaign. It makes for more methodical working on the part of the salesmen, and for closer co-operation between salesmen and office. The salesmen are continually reminded of the necessity for making plans and of the assistance offered them by the sales office.

VAGUE QUESTIONS BRING VAGUE ANSWERS.

This contrasts very favourably with the ordinary form of salesman's report in common use in which the salesman is left to compose his own report.

The average salesman's reports are very poor affairs, of little use to his office and of no use to him. They are full of stereotyped phrases like "Good prospect," "Might buy later on," "Waiting for business to improve," "Nothing wanted," "Very interested," "Asked me to call again"

Some salesmen will puff out their reports with self praise or hollow optimism, either giving a long rigmarole in order to suggest their own cleverness or satisfying themselves with terse remarks like "This is all right," "Certain order here," "Very friendly and sure to buy soon."

A report which a salesman has been left to compose can very easily be faked in order to suggest that the salesman met with much more success than was actually the case. Indeed a report such as "This business is developing rapidly and should be a customer soon" will often be sent in by a salesman who has failed to obtain an interview.

Hence the importance of making a salesman say whom he saw and what transpired.

In the last section of the report the salesman is asked to give the date for the next call. This



The DESK of INDEPENDENCE

This busy executive has solved the problem of independence. There is no need for him to lose valuable time, impatiently waiting while figures are looked up or important documents found, for he keeps essential matters *at his finger-tips* in the organised smoothly-gliding drawers of his EFFICIENCY desk.

He can act quickly and decisively because he *knows* facts and figures and has absolute control of his organisation.

EFFICIENCY can give you the same control and independence—as it has many other successful men. May we tell you how?

CALL AT STAND No. 23 "BUSINESS EFFICIENCY" EXHIBITION, OR SEND A CARD FOR FREE FOLDER "B.5."

Shannon
LIMITED

"SHANNON CORNER,"
57-59, VICTORIA STREET,
LONDON, S.W. 1.

AND

"Shannon Corner," 132-3, Cheapside, E.C. 2.

BRANCHES IN MOST IMPORTANT TOWNS

information is used by the sales office in planning his future calls.

THE APPOINTMENTS DIARY.

An ordinary diary, with one day to a page, is kept in the office and each time a salesman sends in a report an entry is made in the diary under the date he appoints for his next visit, so that he will be reminded at the proper time.

For example, if Mr. Day said he was calling on the Western Perfumery Company on February 19th an entry would be made under "February

THE FIRE APPLIANCE COMPANY

Salesman's Report

Call made on 3rd February, 1928

Firm *Leslie Mason & Co Ltd.*
 Customer or Prospect *Prospect*
 Person actually interviewed *H Randall*
 Position held *Secretary*
 Buyer's attitude *Outlay on fire fighting appliances not justified*
 Arguments used *Prevention better than cure—fire losses that insurance does not cover*
 Salesman's next step *Will find out what Masons would save in rebates from insurance premiums if they installed appliances*
 Suggested action by Sales Office *Send booklets "Fire prevention as an Investment" and "Consequential Losses"*
 Date for next call *5th March, 1928*

Dealt with by
E S.
 Sales Office

P. Hammond
 Salesman's Signature

19th" in the diary. "Mr. Day—Western Perfumery Company." When that day arrived the clerk who kept the diary would type the name and address of the Western Perfumery Company and any other essential information at the head of a salesman's report form and hand or send it to Mr. Day.

If this is done there will be no fear of a likely prospect being forgotten—a possibility that is the cause of a great deal of lost business. A salesman can usually be relied upon to keep in close touch with his best prospects, but he is apt to concentrate too much on them and neglect the second best.

SALESMAN TO ARRANGE DETAILS.

It is not suggested that the salesman should keep strictly to the dates he appoints for his future calls. This may not be possible owing to irregularity in the flow of appointments and it might also be too expensive. The appointments of which he is reminded at the beginning of a week may all be in different parts of a large territory and he cannot rush about like a mad bull in order to keep slavishly to system.

The office has done its duty in reminding him of the appointment and it is up to him to plan his journeys so that he makes the calls economically but in good time. If he visits a town to make an appointment call, he should be able to call on other prospects in that town, or make some first calls. Of course, if he has actually made an appointment with a customer this must be kept "to the minute" and must take precedence over "appointments" made without the customer's knowledge.

When the salesman makes a special appointment he should say so on his report and "special appointment" should be typed on the reminder that is subsequently given to him.

The report form shown this month is separate and distinct from the "Information" form shown last month. The information form is an additional form which must be sent in with every first report upon a new prospect, giving full particulars of the prospective customer's business and the salesman's suggestions regarding the handling of him.

It is vitally important that the Prospective Customers Record, which is made up from the above information forms, should be kept up to date. The salesman carries a copy of the customer's record with him and he should note any changes or additions on the back of his reports.

PERUSING THE REPORTS.

It goes without saying that the salesman's reports should be read very carefully by the sales manager or some responsible and efficient assistant and that any requests or suggestions made by the salesman should have prompt and careful attention.

A salesman very quickly finds out whether or not his reports are being watched and if he feels that they are not, this will make a very great effect upon their quality.

In many businesses salesmen's reports are nothing better than a farce. The salesman scribbles out "any old thing" in order to satisfy the vague demand for reports, and these reports are hardly looked at by anyone in authority.

Under these circumstances the report system is a sheer waste of time and money.

FILING THE REPORTS.

It is very important that the salesman's reports should be filed away in good order so that they can easily be found, and there is a great advantage in having the salesman's reports and the prospective customers' records filed away together. The best method of accomplishing this is to have the prospective customers' record forms printed on the front of stiff envelopes so that these envelopes can be used instead of cards, and filed and indexed in the same way. The report forms can then be inserted in the envelopes covering the prospects to which they refer, and the whole of the information will be in one place and readily available.

In order that they can easily be filed away and will be convenient for the salesmen to carry, the report forms should be small, 4 inches by 6 inches being suggested as an ideal size. If forms of this size are made up in pads of fifty, the salesmen will be able to carry them in their pockets and fill them up as they go along.

The results are likely to be far more satisfactory than if the salesman has to wait until he gets home or to the office before he can make out his reports.

The report forms should be printed upon a smooth paper of good quality so that a fountain pen can be used in filling them up.

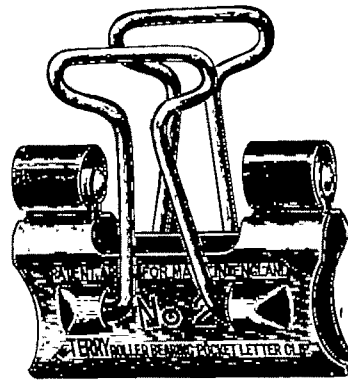
REVISE THE FORMS FREQUENTLY.

To guard against the report system falling into obsolescence the printed forms used should be revised at frequent intervals. It is a surprising thing that so many firms continue to use the same forms year after year although changes in selling policy or the conditions under which the salesmen work are constantly taking place.

The use of printed forms is always accompanied by the danger of creating a staff of form fillers instead of business men. A sales manager cannot allow his section of the business to fall into the ways of government offices and he must therefore watch his report system very closely, altering immediately any detail that has become out of date.

His objectives are more sales and larger profits and any system he uses is only efficient in so far as it is conducive to these results.

Next month Mr. Bolling's subject will be "How to Conduct a Sales Office."



*hang them up.
lock them up.
file them flat.*

The "Terry" Roller Lever Clip.

- file your papers, &c., and lock them up against interference with "Terry" clips.
- in the office—in the stores—warehouse or workshops you will find them valuable time and labor savers.
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TERRY

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Redditch, England - - Est. 1855.



Buyer Statistics and Records.

By JOHN CROYDON.

Sales Records, analysed to a shadow, are a familiar feature of every progressive business. What of the Buying data? If "well bought is half sold," then the accurate and detailed dissection for the Purchases Dept. is clearly indicated as a *prior operation*.—EDITOR.

I HAD an opportunity recently of referring to the records kept by the buyer—who was also one of the principals—of an old-established business in London, having a turnover running into six figures. I was astounded to find that the only records which were made of costs, for reference, were in bound books, and these records were in precisely the same form as those which were kept in the same business thirty years ago!

I also, incidentally, discovered that this buyer did not see more than about twenty-five per cent. of the representatives of the firms calling upon him. I found, too, that only upon the very rarest occasion did he ever visit the works, factories or showrooms of the manufacturers with whom he was doing business, because his time was so taken up with other executive duties. And yet he was loath to delegate any of his duties to a subordinate.

I was not surprised to discover later that the company in question were not making any great headway, and concluded that they were really only holding their own by reason of the fact that considerably more enterprise was being shewn at the selling end of the business.

INDIFFERENT BUYING METHODS HANDICAP SELLING.

But what a serious handicap must the selling organisation be labouring under! How often the lack of enterprise and initiative, and the antiquated methods of the buying department place them out of court in competition with their more go-ahead competitors.

The problem which is presented by the case which I have cited is not only a very real, but a very serious, one in many businesses to-day. The proprietor, the partner, or, in the case of a company, one of the directors, maybe, grows up with the business. He has been in that one business for anything from 20 to 30 years. During that time he has not seen, nor has he sought an opportunity of studying, the more modern methods of his competitors. His mind is not of the progressive type. He reads very little trade literature. He only takes up new things when they are more or less forced upon him by the

demand which is created by their innate merit, or by the more enterprising methods of the manufacturers or of his competitors.

The man to whom I am referring is a very valuable one, from some points of view, to his company. The business is a very technical one, and his technical knowledge of the business is very sound. But his qualifications in other directions must, in a measure, be stultified by the antiquated methods to which he clings so tenaciously.

ANALYTICAL SURVEY OF BUYING METHODS NECESSARY.

As I have hinted there are many good old-established businesses in this country which are faced with just such a problem as is the company to which I have referred. Their only hope is, first, an analytical survey, not only of the buying department, but of all the ramifications of the business, and the production of such statistics as will reveal the serious consequences which must inevitably accrue from a continuance of out-of-date methods in whatever section of the business they may exist.

It is very true that well bought is half sold, and that, no matter how well conducted other departments of a business may be, unless the buying is well done, proper records kept, and reliable statistics made available for, and consistently used by, the buyer a business cannot possibly prosper as it should.

In contradistinction to the above I have in mind another business which is conducted, especially as far as the buying department is concerned, upon more up-to-date lines. Here there is a comprehensive card index of all the lines handled. When changes in prices take place the dates with particulars of the alterations are duly recorded. Sources of supply are indicated by well-known initials, or other familiar abbreviated signs. Prices from competing firms are carefully and systematically checked one against another. The index is thus always kept up-to-date. It is of inestimable value for reference for the current requirements of the business. Its compilation entailed a good deal of labour and

expense; but its maintenance costs no more than many far less efficient methods.

In the production of price lists or catalogues its value cannot be over-rated. At stocktaking the time which is saved by the use of the card index is remarkable.

ALWAYS ON THE QUI VIVE FOR NEW LINES.

In this establishment the chief buyer, or one of his subordinates sees practically every representative who calls. This is made a rule because the buyer argues that he never knows when some new thing may be introduced to him which may mean hundreds, or even thousands, of pounds to him in the business. Whereas if he is indifferent to the claims of the manufacturers' representatives some one of his competitors is certain one day to steal a march upon him. Representatives are usually first interviewed by one of the buyer's assistants, who, by tactful questioning, very soon discovers whether the proposition which the caller is putting up is of sufficient interest or importance to warrant a personal interview with the chief buyer. In this way the valuable time of the chief man is economised, and the company makes certain, at the same time, that no proposal which is likely to be profitable to them is missed.

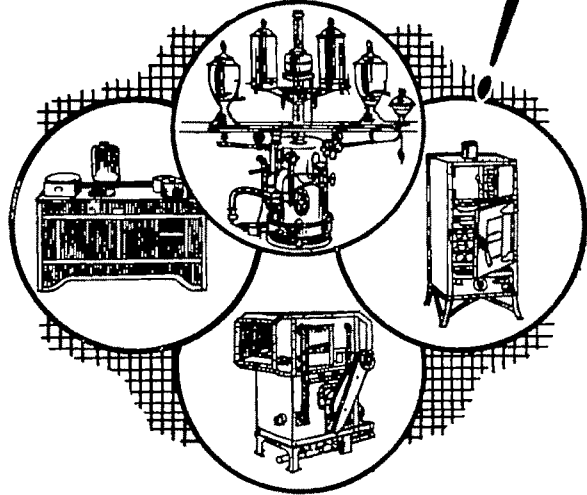
Manufacturers' representatives should never be turned away without being intelligently interviewed by someone, for the buyer never knows when they may be the bearers of some useful suggestion as to the *selling* of his goods to the buyers' customers. Such a suggestion may not, in the nature of things, be entirely disinterested, yet it may be none the less valuable for that; and whenever a good proposition is on foot it is almost sure to be offered first to the buyer who treats the representative, in the ordinary way, with courtesy and consideration; and with whom he is on good terms.

SPECIAL RECORDS OF SLUGGISH STOCKS.

Many firms, at this time of the year, are in the midst of stocktaking. Now is the most opportune time to take special records of obsolete stock, as well as of goods which, while not being actually obsolete, are not quick sellers. All such lines should be specially recorded with a view to prompt steps being taken for their immediate disposal. Sufficient importance is not attached, in many businesses, to this question of out-of-date stocks. The carrying of stocks of unsaleable lines can never mean anything other than loss to the trader.

While on the question of stocktaking I should like to call attention to the undesirability of a practice, which is adopted by many buyers, of deliberately reducing stocks in many lines as

THESE ARE ASSETS



and will not prove
charges on the company

*Efficient Works Canteen
Equipment is ever
an asset.*

A Self-Supporting Canteen does more than provide Wholesome Foods and Liquid Refreshment at a nominal cost—it is steadily building up goodwill. Each piece of Equipment proving itself an indispensable asset. Such Equipment is

Still

CANTEEN EQUIPMENT, ETC.

Whether you are re-equipping an old canteen, planning a new one, or just thinking it over, you should keep the STILL catalogues handy. A complete range will be sent gladly upon application to

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And at

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stocktaking time approaches. How often does one hear a remark of this kind? "No, thank you, stocktaking is coming on, and I shall not buy until the new year." Or, "No, I shall not buy now; I am keeping stocks as low as possible in view of stocktaking." This practice is very general, but the buyer does not always realise what his action entails.

In the first place, if this is practised to any considerable extent, as indeed it is by many buyers, it is going to be the means of losing many sales on account of goods being out of stock, or, at least, it may entail the buying from hand to mouth from London stocks at higher prices than would be paid in the ordinary course.

MISLEADING IMPRESSION ON STOCK TURNOVER AND CAPITAL INVESTMENT.

Then—and this is most important—the accounts, when prepared, will show an absolutely false position as far as stock-turnover is concerned. Suppose, for the sake of argument, that a business with a turnover of £400,000, costing £300,000, requires a stock of £75,000 in order to function in a normal way, and therefore, of course, turns over its stock an average of four times a year. Now, if at the end of the year that stock is artificially reduced to say, £60,000, the business will be apparently turning over its stock five times, whereas, had the stock value been ascertained at any other time in the year, it would have been found to be approximately 25% more. Again, by artificially reducing the stock at the end of the accounting period, the creditors are made to appear less than they are, probably, at any other period of the year, and, taken on the whole, the final result of this undesirable practice is to convey an entirely erroneous idea as to the capital investment which is actually required to run the business.

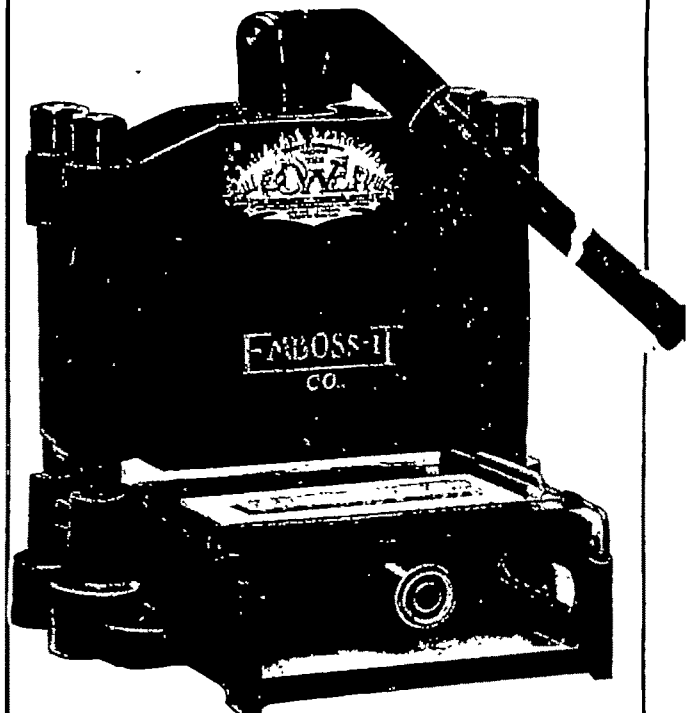
By all means keep stocks as low as possible; and, if it is argued in justification of the practice which I am decrying that no sales are being lost as a result, the obvious answer is that the normal stock therefore cannot be justified, and that overstocking must be taking place in some of, if not in all, the lines carried.

Here is a further justification for the analysis of individual lines in every department of a business (see December issue). If this is done consistently one may be absolutely sure, ultimately, that overstocking is not taking place anywhere. Anyway, it should be crystal clear that the artificial manipulation of stock values at the end of the accounting period by underbuying is a practice which cannot be justified under any circumstances, and it is one which should be deprecated by the executive head of any business.

SAVE 80% OF SHOWCARD BILLS

Install the Patent "ALLPOWERFUL" SHOWCARD MACHINE

This machine, which is all BRITISH, is having a large sale on account of its high-class construction and reliable working.



Fitted with latest patent applied for adjustable type bar.

Many Satisfied Users.

Write or call:—

THE 'EMBOSS-IT CO., LTD.,

26, ST. BRIDE STREET, LONDON, E.C.4.

Introducing "Mr. Industry Sales Manager."

By F. FOSTER.

In cyclonic fashion the author advocates a fundamental change in our conception of marketing. It is an idea which has been operated much more comprehensively and in slightly different form in Germany with conspicuous success. We have much to learn from that country in this matter.

—EDITOR.

SALES Managers have given much attention to the handling of internal problems, i.e., selection, training and compensation of salesmen, etc.; matters completely within the confines of the individual business. We are now used to these problems and they have almost become a matter of daily sales organisation routine. But let us now turn to the External Problems, those that affect a business perhaps more importantly, but that lie outside the control of an individual company. For examples of External Problems let me instance Consumer Indifference and the competition of rival industries. Such problems can only be handled effectively through co-operative organisation, they cannot be dealt with satisfactorily by any one firm. So let us introduce the

INDUSTRY SALES MANAGER.

We need an Industry to work upon, even if in theory as yet, so let us take Textiles. How can any one manufacturer fight the competition of artificial silk, the abbreviated apparel vogue of women, combines, etc. How can the smaller businesses survive? Quite easily—they can join their larger competitors in a common Association and toss all their problems into a common pool, for collective solution. When large and small businesses join together for any object there is generally friction for a time, customs brought about through years of use cannot be abandoned at a moment's notice, but Industry Co-operation will certainly achieve tranquility and agreement in due course. The Industry as a whole, not as many separate units all travelling different roads, must adopt SALESMANSHIP as Sales Managers know it—Advertising, promotional campaigns and development of new markets, viewing each from the point of view of the Industry, not from the viewpoint of any one industry unit.

"OF COURSE THEY CAN."

In all industries it is important that the producer sustains interest in his product until it reaches the consumer. An application of this idea, highly successful, but not carried as far as it should have been, was the "Eat More Fruit" campaign. Sir Charles Higham went to America and taught them to drink Indian tea, financed by a levy of so much on a ton of tea

produced by the growers. Practically every one of our industries to-day needs an Industry Sales Manager. Listen to this—Glancing through a copy of "The Textile Mercury" of October 8th last I read "Can Lancashire regain her textile prosperity" and turning over a page or two I read "Can the Linen industry recover." Of course they can, and so can all our other industries that talk of the "good old days." If the same attention had been given to expanding our markets through an industry co-operative effort as has been devoted to improvements in production, if distribution had been studied as manufacturing has been studied, our many great works and factories would have been fully employed in producing for the new markets and new uses, which would surely follow such a campaign of use-research and market expansion.

WANTED, "NAPOLEONS"!

Carefully pick the right man and let him Sales Manager the Industry as a whole. To commence, he would form an Association of as many as possible of the firms in the Industry. Their subscription to the Association could be larger or smaller according to their production capacity. The Association would then commence to promote the general improvement of the Industry and to further the growth of the Industry through the expansion of its possibilities and by widening its market. The Association would reform abuses, collect and disseminate information concerning matters of general interest and procure uniformity in the customs and usages of the Industry. The Association would in no way advise or interfere in the relations between employers and employees. The Association would generally further the interests of the Industry by a constructive, co-operative programme, so that the Industry would profit by a Standard Code of Practice as far as possible. Members of the Association would receive the benefits accruing from organised efforts and thereby assure the future security and prosperity of the Industry.

Industry Sales Managers, there is a wonderful opportunity ahead of you, months and years of hard, slogging work, and a wonderful recompense at the end of it—a better, happy, work-for-all Britain. Get started, Industry Sales Managers, and jolly good luck to you!



The Asset Test in Printing.

II.—LEAFLETS AND FOLDERS.

By HORACE SHIPP

(Artistic Director of Arthurs Press)

Diagrams and Layouts by ERNEST SHIPP

(Blackfriars Press)

IN the first of these articles we were considering chiefly those phases of a business man's printing which are most open to neglect in that he does not consciously think of them as being part of the publicity of his house. Cards with a name and address, noteheading with but little more; the needs of the situation appear to be satisfied—save to the man who *thinks his business* into all the details. That man knows that his printing proclaims him, and forthwith controls the figure he is going to cut before the world when he appears in the form of correspondence upon another man's table.

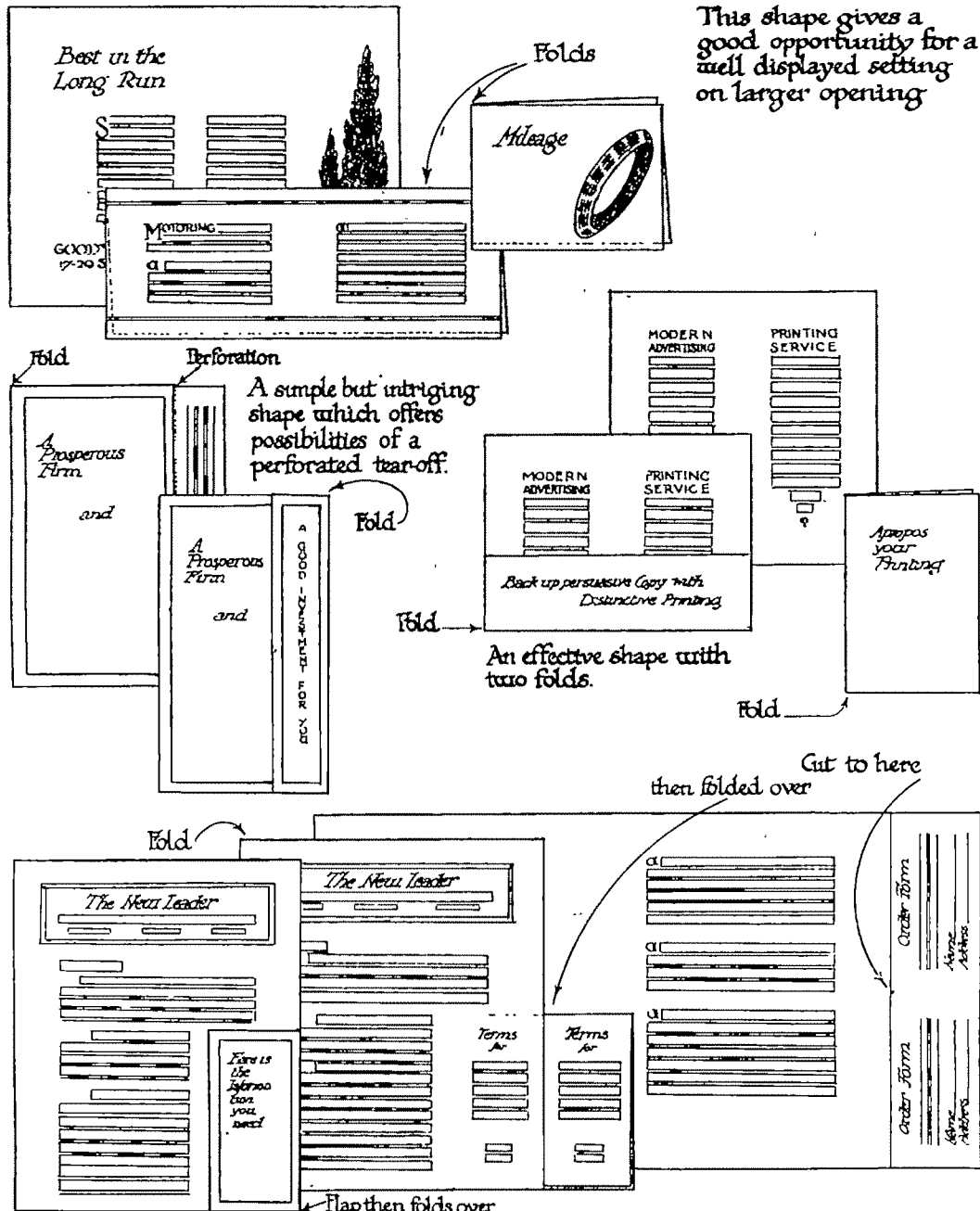
In this article we are less likely to up against the problem of mere thoughtlessness. Whenever a man puts out a leaflet he knows that he is making an appeal, and the occasions must be rare indeed when he regards the actual printing of that leaflet as being of no importance. Even the gentleman whose commercial transactions lie in the purveying of fried fish and whose publicity consists of "throw-aways" to the passers-by of his fish bar has some dim comprehension that it should be planned to reach their mentalities. The trouble is that he, in common with certain business men in more exalted lines of manufacture and distribution, tends to decide that he is being economic when he is merely being cheap. Whilst the late Lord Leverhulme became the super-fried-fish merchant of England precisely

because he knew the importance of being expensive and excellent in every respect of his business. It is the old story of nobody being able to afford the cheapest and worst. The moment we turn to this question of making a conscious propaganda of our business to the public through the medium of the printed leaflet we must decide what maximum we can afford and then see that it is spent to bring back the maximum of interest in our doings. It seems obvious; but this getting down to basic principles is an excellent psychological start and saves confusion and heart-burning in the later stages. Actually, other than an expenditure of brains and care, the good leaflet need cost not one penny more than the bad. It is for us to see that step by step we plan it to fulfil its purpose. If we may be forgiven a punning adaptation of Thomas Hood, we would say that in this matter of printing "evil is wrought by want of thought, as well as by want of art."

THE PSYCHOLOGICAL STARTING POST.

Remember from the beginning that this is all a matter of psychology. Your printed leaflet is to be a piece of expression of your business which will plant interest in it in another man's mind. If it succeeds it will interest him so much that he will translate it into action, perhaps will change the buying habits of a lifetime. It will

Some Useful Shapes for Folders-



A little more involved - with three folds and one cut - offering two order forms if necessary. New Leader Ltd recently had a folder this shape and style

have to speak clearly, convincingly and *in the terms of your individuality and that of your business* to achieve that result. It will have to take cognisance of the type of individuality of your potential clients and make its appeal to that. It is not our function in these articles to deal with the writing and phrasing of that appeal, and I am assuming that such writing is in the hands of someone who will know his job. Here we have to see that in the matter of type and paper this clarity of expressive appeal is not confused and lost. The pull of a leaflet in its typography as in its writing depends upon its momentary power of gaining attention, and its power of holding it—upon a brilliant first impression and a subtlety of arrangement which will prevent it being put down half-read. Format; type, with its arrangement on the paper; and the paper itself are the elements from which we are to obtain this effect.

One word before we get down to the actual manipulation of these; a word which really concerns the writing rather than the printing, maybe, but nevertheless reacts upon this: don't put in too much. Simplify your facts and your points of interest down to essentials. Otherwise it means crowded type in a small size with miserable white space and margins. Where in that case is the immediate appeal? The potential reader decides that his respect for time and his own eyesight is greater than his interest in your leaflet—and your many facts which you felt you had to tell never have a chance to reach him. Plan first, therefore, how much space your leaflet will allow, and eliminate as much of your copy as does not *demand* inclusion by its obvious fact-telling of importance or creation of atmosphere. A folder containing a few specimens of other folks' print which attracts you, and a little arithmetic on the part of your office boy as to how many words the "body matter" makes in these, will be a useful guide in planning your own publicity.

FOLLOWING FORM.

Novelty and handiness are our obvious governors in planning the shape. If you leave it to the printer he will in ninety-nine cases out of a hundred give you an ordinary octavo, either crown (5 by $7\frac{1}{2}$), large post ($5\frac{3}{4}$ by $8\frac{3}{4}$), or demy ($5\frac{1}{2}$ by $8\frac{3}{4}$); or, if you have planned something obviously larger than this, he will give you the quartos: crown ($7\frac{1}{2}$ by 10), post ($8\frac{1}{4}$ by $10\frac{1}{2}$), or demy ($8\frac{3}{4}$ by $11\frac{1}{4}$). Granted that these are convenient sizes, that they do not waste your paper by cutting off pieces left over, and give a reasonable shape for the page. But a publicity man with an eye to the pleasure of novelty will make occasional experiments in shape: will fold the paper its long way so that

the crown octavo becomes $3\frac{3}{4}$ by 10 which with a little cut off the longer measure makes an interesting pocket shape. Or he will be prepared to trim a little from the length of the ordinary demy octavo so as to change its tendency to ungainliness into a pleasing rhythm of shape. You will be surprised to see how different in its appeal is the proportion of $5\frac{1}{2}$ by 8 (a demy trimmed one inch) from the normal crown or the normal untrimmed demy. The rectangles tend to become happier as they approach the square, and interesting as they move out into exaggerated rectangles. Either for single page leaflet or for the simple four page folder this matter of size and proportion is one which must receive careful attention, and will amply repay it.

In the matter of folders in the more complicated sense of the word the field of experiment is almost unlimited and ingenuity (if it be carefully governed by purpose) is well rewarded by effect. We have suggested in the diagram a number of ideas, and a study of them and of the unwinding folds will show certain principles at work. One is that the actual folding must always be an easy matter for the hand: the method of folding has to invite you to proceed to open and must avoid any feeling of shutting things off. (The wording must play up to this also; human curiosity is with us in the psychology of the game.) The next is that the idea of the text must unfold with the actual paper. Then we must watch that each shape as it appears is in itself pleasing and satisfying. I commend the invention of effective folders to harassed business men as the most diverting of amusements, infinitely more entrancing than crossword puzzles. The effective placing of an order form or coupon or any variety of tear-off on a folder which opens out to make the form a kind of climax to its own unfolding carries an excellent sense of suggestion and will bring many of those forms back to your office.

MAKE YOUR PAPER HELP.

It is our purpose in the next of these articles to devote attention specially to the subject of paper, but obviously the matter is one of great importance in planning our leaflets and folders. Granted it is partly a matter of cost, but the paper must not only be the best you can afford, but the best suited for its task. One of our reproductions is of a Dutch leaflet which was printed on a long shape in vividly coloured onion-skin paper. Your printer's machine man may commit *hara-kiri* or homicide if you insist on the use of onion-skin papers for they are very difficult to "lay" at the machine; but the novelty and charm for certain purposes is undoubted, and they are made in fascinating colours. That is another point of paper choice. If you are not using

colour in your printing (and often if you are) the bringing of colour into your paper will prove attractive. Often if you have some design or illustration you can cause your artist skilfully to make the colour of the paper a distinctive part of the design as well as the background. It gives a pleasant feeling of unity and makes the illustration belong to the type. One thing which you must remember in the use of coloured papers is that they tend to change the colour of the ink printed on them. A moment's thought will show you that a blue ink printed on a strong yellow or orange paper becomes practically a green, and it is necessary to allow for these changes. Plan your colours, too, both of paper and inks with an eye to the psychological effect of colour. The strong effect of black and red or black and orange, is right for selling machinery, whilst blue and silver will the better sell scent, and primrose yellow and emerald sell Spring bulbs. I need hardly utter warning as to the need to use smooth surface paper where half-tone blocks or very fine pen line blocks are being used; and a paper which can be written on if any form is incorporated which needs to be filled up. You must remember, however, that the smooth surface papers are at present not made in any strong colours, but only in slight tints of colour. The current tendency is towards the use of mass and line effects in design, woodcut effects, and others which can be used with the rough surface and what are called "antique" papers. A paper maker will gladly send you samples of paper suitable for whatever purpose you have in mind, and you can thus indicate to your printer your own desires and adjust them reasonably if need be to any real technical difficulty which he advances. But encourage him to share with you a sense of experiment, or you will find yourself treading the paths of the usual because it is a little trouble to climb over the hedge. I remember the shock which even my own people at the works had when we printed the programme of a show of theatre design on the *wrong* side of a piece of violently coloured poster paper. When we had folded it twice into the middle, however, leaving the brilliant colour outside and opening it out to show the white side of the paper printed with a heavy woodcut effect, it was confessed that there was artistic method in our madness. It is such experiments which make these jobs a joy to project and perform.

PLACING THE TYPE.

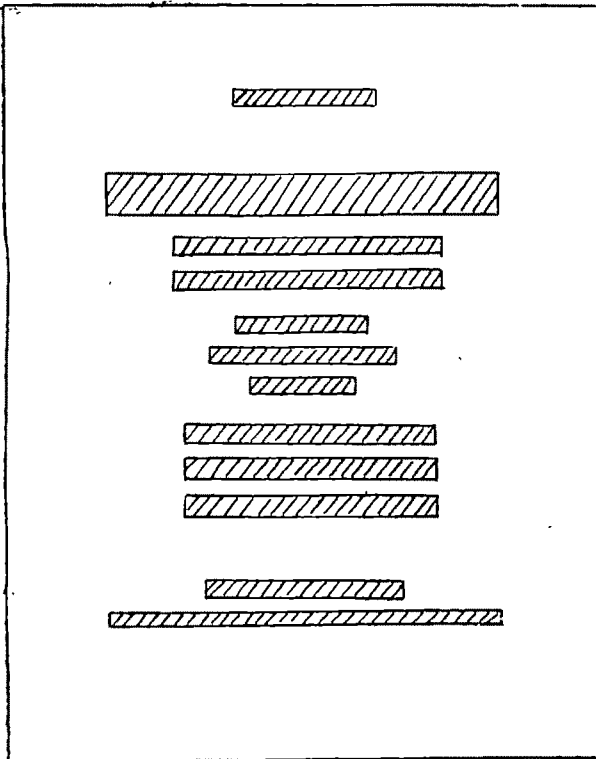
So we pass on to the matter of the type itself and the placing of it on the paper. The laws which we have already observed—of simplicity, clarity and unity—govern these matters. Much

of what we had to say in the first article concerning the choice of types and their arrangement applies throughout every form of printing. A glance at the old-fashioned style of printing reveals a dual negligence which makes for confusion: a dozen different kinds of type are used and no sense of placing on the paper is shown. Against this the modern practice is to set in one or perhaps two types and to group the separate items of interest so that they can immediately be picked out by the eye. Even when we have planned out good margins it is possible to put in the lines of type in such jumble that the eye cannot easily take them in. The attached diagram of spacing has in both instances approximately the same margination, but the white spacing in the one instance enables the eye to dissociate the separate items whilst in the other they are warring each with each.

Margins themselves and spacing too are largely a matter of the eye. Good taste will show us immediately when a margin scheme is happy. The modern practice is for a slightly broader margin at each side of the page than that at the top, and for the largest margin at the foot. The exact proportion of these may be variable, but the relationship of smallest, medium and largest as between top, sides and bottom holds almost without exception in contemporary printing practice. When we are making more than one page remember to treat the opening of the two pages as the unit. This will mean that the top margin being considered as, say, one inch, the outside margin will be approximately one-and-a-quarter with the space of one-and-a-quarter between the two pages in the back margin, and a measurement of about one-and-three-quarters at the foot. This plan approximately for margins will prove pleasing.

BORDERS AND ORNAMENTS.

The use of ornament tends these days to be restricted. An occasional simple touch usually of the mechanically cast ornament made from the lovely old patterns, seems to be *de rigueur*. Its use as a border on the leaflet of Headley Brothers on page 285 shows how effectively it can be manipulated. Plain rule in colour thrown out to the extreme edge of the paper as in the Dorem Leigh invitation on that page are invariably effective. Care should be taken that the borders and the ornament in any piece of work are in harmony both in character and in tone effect with the rest. Often a border actually heavier will be used but the relationship will be put right by printing it in a colour which takes the weight away. In the instance we are considering the border is in a good green, the type in black, and the result is that the border stands excellent between the



Incorrect spacing

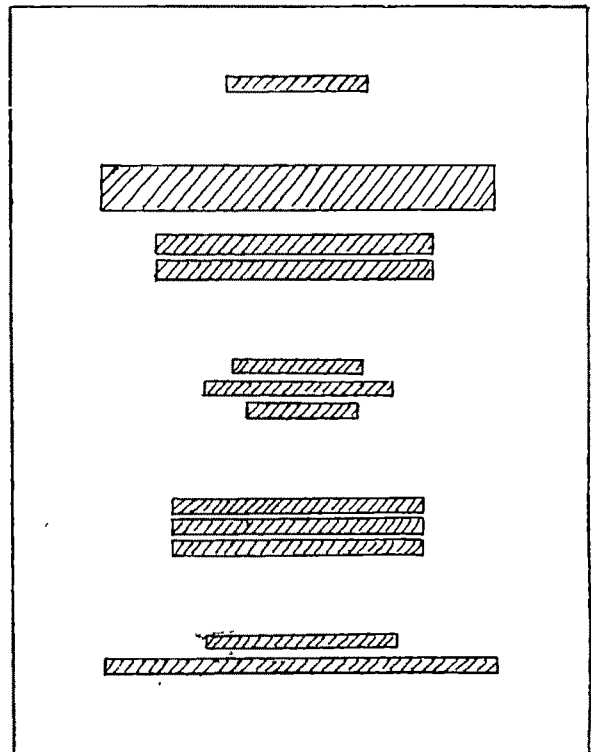
weight of the type and that of the rather heavy design.

This question of "tone," i.e., degree of blackness or heaviness in the whole effect of a page, is often not paid sufficient attention. Sometimes one can get a fine effect by determinedly using two tones, a definitely light and a definitely heavy. By placing the lines so as to show clearly that this is the plan a satisfactory result can be obtained, but we must never allow our intention in these ways to be haphazard. An excellent study in one tone effect is shown in the Principles of Heredity page among our illustrations. Here the Black letter (Soldan's Oxford type, a very lovely one) is exactly matched for weight by the border. A recent fashion for the use of "open type" (i.e., type with a white line inside its line of design) is dictated, I believe by the desire for oneness of tone, for the large cap lines or the headings can thus be set in a type of obvious importance without it being so much heavier than the body of the matter. For large quantities, this open type tends to clog with ink and go black. Warn your printer and then check this if you use them. Before passing definitely to this question of type faces I would

advise the man who is planning printing to obtain from the printer or printers with whom he is dealing a few pulls of the borders they have available, and an inch of these pasted upon the corner can then be used to indicate to him what is needed.

CAREFUL OF THE TYPE.

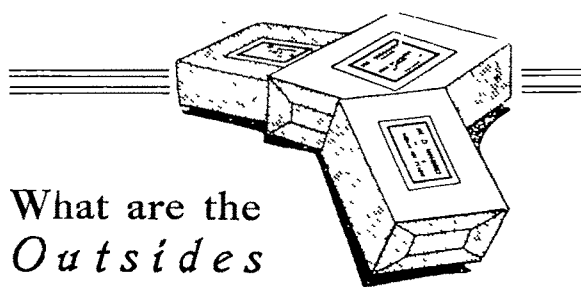
The first care in choosing the type itself is that of readability. All else must really give way before this, and in this respect I would criticise the Dutch leaflet (otherwise so exquisitely designed) which we reproduce. Those solid capital letters do not tempt one to risk eyestrain to discover what they have to say, although the short length line and the pleasant rest spaces of the whites almost reconcile one to the effort. The Lanston Monotype Corporation have recently made some interesting experiments on the subject and have demonstrated the comparative superiority of the type faces such as Garamond, Caslon Old Face, and the so-called "Old-Style" faces of type over the "Modern" faces which are so prevalent in American book-setting. Both the Garamond and Caslon Old Face are among the earliest of type designs, and it is interesting that to-day



A better planning

no types can give a better nor more readable effect. The Cheltenham type which had an enormous vogue a few years since in commercial printing tends now to be passé; although it is, it must be confessed, a finely designed and very readable letter. Its long tails and ascending strokes give a pleasing amount of space between the lines and make it restful to read. Also the basis of the "lower-case" letters (as the printer technically calls the letters in their non-capital state) was a complete circle and not an ellipse. The nearer approach to a circle in Garamond as opposed to Old Face tends to make it more easy and accounts a great deal for its modern usage.

The moment you begin to study type faces you will discover there will be an almost infinite variety of them. Some art presses with a fastidious clientèle put in these faces almost as soon as they appear on the market and scrap them soon after. They will give you novelty and up-to-dateness, but they will probably charge pretty heavily; for this business of living ultra-fashionably in type is rather like that of anticipating Longchamps in clothes—it can be done if the purse strings allow. On the other hand, if your printer is tolerably well equipped with a few fine types you will be able to get the effects you want with these, without paying for your printer to



What are the *Outsides* of your Parcels worth to you?

Do they carry your Advertisements?

Well designed, brightly printed gummed labels and printed gummed tape can make your parcels unpaid travelling salesmen, to bring you extra business.

Ask your printer for our free booklet on the art of attractive packing.

Every
parcel a
travelling
salesman.

Use
**Gummed
Labels**



Advertisement of
SAMUEL JONES & Co., LTD

Come and see the **BUSINESS EFFICIENCY EXHIBITION**

*It will be bigger and
better than ever at*

**HOLLAND
PARK HALL
LONDON, W.11**

Come and see a hundred and one ways
of conducting business more efficiently
—of getting your office work done
accurately and quickly

Every business man and woman should
make an effort to visit this interesting
Exhibition.

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ADMISSION ONE SHILLING

put in, and as rapidly to dispose of, every new type.

Among the modern types which are in vogue one should note the present day equivalents to the old sans-serif types—the Westminster and Spartan. We have now grown used to the distinctive Westminster shape in its huger form as the type which the Underground Railway have used a great deal for their posters. In it the serif tends to be but a suggestion, and the plain shape of the well-proportioned letter to stand out exquisitely. The serif in the design of a type face gives it a slightly fancy air, and any type with an exaggerated serif has to be used carefully for the strictly commercial run of work.

One problem which will confront the man laying out his page of type display is that of the capital letters and when they should be used. We have seen that *en masse* they are less readable than a line of lower case, but in spite of this here and there we shall find they are better. They give stability of shape and an evenness of appearance. (This latter seldom applies to lines of italic capitals and for my own part I seldom use them, finding the variety of the slopes of the "uprights" worrying to the eye.) The remarks made in our last article concerning the need for intelligent calculation as to whether a certain line can be got into the length in the size indicated

holds good throughout all printing planning, and the means there indicated for correcting the mischief likewise.

UNITY OF PURPOSE AND METHOD.

In type choice, however, in spacing, in margination, in the choice of colour, of paper, of illustration and design (of which we shall talk later) the rule which underlies everything is fitness for purpose, and the conveying of the spirit and individuality of your business. A little attention to the planning of these points in your publicity, layout on the lines we have already indicated, an eye for novel effect which remains nevertheless essentially "right" in spite of its novelty; and these first steps in your advertising will be happier in your own hands than vaguely entrusted to any printer who happens along with little more attention from yourself than the knowledge that you have sent out ten thousand circulars, leaflets or folders and hope for a profitable reply.

IMPRESSION.

"The value of a printed job designed to pull business can be assessed on one basis only—that of IMPRESSION. If it does not create a definitely good impression it will, in nine cases out of ten, fail in its objective.

When the business man or his assistant goes through the morning post, he is going through something of importance. Publicity and advertising matter come in the nature of an intruder, and this feeling must be killed at birth. No sooner does the eye light upon the advertising matter in question than the brain forms an opinion. On the strength of this opinion the matter either goes forward for further consideration, or backward for—the waste-paper basket, or the office boy's amusement. It is a matter of seconds, and in this small space of time it is impression that decides the issue.

Bear this in mind, therefore, and let it be written in letters of fire—that every copy of the advertising matter sent out will within the next few hours go through the crisis of its existence. In the space of a few seconds its doom will be pronounced in no uncertain manner. If this point of view is kept in mind—and it is no exaggerated one—the very serious considerations behind the execution of the work will be always appreciated, and the pitfall of putting price consideration before quality and effect will be avoided."

John F. Preston & Eric Arch in "Advertising, Printing and Art in Commerce." Chapman & Hall).

Leipzig Exhibitors and Visitors !

DO NOT LOSE YOUR BAGGAGE

You may now have a special policy to cover loss of your baggage en route to the fair at a trifling cost. Insurance against Personal accident happening to Tourists and Travellers anywhere in Europe issued for any period.

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The Plan Behind the Poster.*

By CECIL BURTON,

Managing Director, The Partington Advertising Co., Ltd

Chairman, London Poster Advertising Association.

The "knell of parting day" has been tolled for the Poster in certain influential quarters. A question naturally arises in all such cases as to the degree of disinterestedness inherent in such opinion. Poster users ourselves, we have sought analysis of 'Poster appeal,' and in this informative series of articles, the alpha and omega of Poster Publicity will be examined in great detail, in accordance with our policy, for the benefit of the reader. Also, as always, the pages of "B.O." are impartially open for the full and free expression of opinion to the contrary. Will readers please act.—EDITOR.

IT is not so many years since all that the most enterprising of merchants had to do in the way of poster advertising was to announce in as large and ugly a letter as possible "Bouncer's Beer is the Best," and if his beer was not actually bad, behold it *was* the best, just because he had said so very loudly and very often.

It is probably through this that any age previous to our own is wistfully and erroneously referred to as "The good old days"—when the business of advertising was so simple! Nowadays when almost every product is "the best of its kind" or "the leader of its class" the man who manages to keep the least bit ahead of his competitors in the clamour for custom is liable to undergo a series of brainracking ordeals—which he very wisely delegates to his advertising agent.

AN ADVERTISING "DIFFERENTIAL CALCULUS."

To the latter is generally left the task of solving a series of problems the aspects of which are themselves continually changing, the most difficult being that continual anxiety of all advertising men, the task of *being different*, and being different from things which are themselves in a state of perpetual change.

Let us examine the problems of the poster from the viewpoint of the modern advertising agent and explore with him the How? When? Where? and Why? of posters.

First we must discover just what a poster can be expected to accomplish. There is a classic division of commercial propaganda into two groups, "reason why" and "reminder" advertising. The first is advertising proper, the second is more accurately called publicity. This is a broad statement and is only as true as the average generalisation can contrive to be. Since a poster is generally only glanced at—an advertising agent would be very flattered to see anybody stopping to *read* a hoarding—the poster will generally fall into the latter of our two classes and be called publicity. Here we have an angle of approach to the question of what products can be expected to respond to outdoor advertising. It is fairly obvious that if an article or a service is to be put in the path of practically everybody, the thing advertised, if the campaign is to be remunerative, must be such as will interest the ordinary man, woman *and* child, in fact those persons we have grown to imagine collectively and rather short sightedly as the "Man in the Street." We can only interest them in the ordinary things of everyday life—food, drink, clothing, shelter, entertainment. These then are the things we shall expect to find on the hoardings. And since you cannot say much on a poster if it is to be grasped at a glance and its purport consciously or unconsciously remembered, the modern poster is frequently devised as a reminder of the existence of an already popular product, or to reinforce argument or persuasion ("reason why" copy)

*All rights reserved



A POSTER TO PONDER OVER

A simple but arresting picture, a neat catch phrase, subtle "reason why," and all intelligible at a glance.

in newspaper or other periodicals, media with which our Man in the Street may be expected to deal in a more leisurely fashion.

POSTER VERSUS PRESS.

From time to time in the advertising world the ancient Press versus Poster controversy reappears and the question of the relative merits of these, the two main vehicles of commercial propaganda, are discussed. It is still not sufficiently realised that no satisfactory comparison of cost relative to results is possible, and that in any case so far as the ordinary mass product is concerned Poster and Press are allies.

Let us examine a concrete case. Let us imagine a manufacturer producing a new sauce and placing the task of inducing the public to buy it (not once from casual curiosity but fre-

quently from habit and liking) in the hands of an up-to-date advertising agent. It is a good sauce with a new flavour, attractively packed and priced, and we will call it "Gusto."

"AND THEN—WHAT?"

The public *can* be told about "Gusto" solely in the press, and let us imagine our Man in the Street or his wife (presumably anxious to discover something new to please her man) reading all about the new product in the "Daily Distorter." We will be optimistic and imagine his roving eye being first attracted to the particular advertisement, then his imagination sufficiently stimulated by a well devised appeal to read the announcement right through, and then—what? he probably turns to something else which has been tugging at his attention all the while.

AN ELYSIUM OF RESULTS.

Now let us suppose that the new product is advertised not only in the Press but on the hoardings. Imagine a poster in the salivastimulating style which America understands so well, showing an already appetising meal reinforced by the suggestive addition of a bottle of "Gusto" in *actual colours* alongside. Imagine a thousand of these bills each ten feet high, carefully placed throughout the main roads of London reinforced by a further series with just two inevitable words "With Gusto." Mr. Man-in-the-Street on his way to work or Mrs. Man-in-the-Street on her daily shopping expedition will encounter these bills at many points. They will not have to *read* them, their purport is obvious at a glance. Now we shall begin not merely to talk about "Gusto" but to sell it.

In the shop :

"Sauce, Madam? Certainly. What kind?"

"I think I will try Gusto."

At lunch :

"Sauce, Sir?"

"Please. Let me have some of this new stuff, Gusto."

NOTA BENE.

(Let us diverge a moment to realise that if we remember the sort of people we meet in the street or sit opposite and study furtively in buses we must imagine our Man in the Street having dinner rather than lunch and his wife being addressed as Mum or even Ma!—this brings us to a series of questions, the "highbrow" group, which we may hope to discuss more fully in a later article.)

PERSISTENCE OF THE POSTER.

Now that the public have seen "Gusto" for themselves instead of merely reading about its glories in a newspaper they are buying it, and we may commence to dispense with our press advertising, but *not* with our posters. The public must be constantly reminded of the existence of our product, in order that the persistent priming of subconscious memory with the name and uses of "Gusto" may continually result in the pressing of the trigger of action when suitable circumstances arise. "Repetition makes Reputation" as the popular preacher had evidently discovered when he planned his sermons to tell his congregation "what he was going to tell them, then told them, then told them what he had told them!"

A CASE CELEBRE.

It is necessary to emphasise this point, and to realise that once an advertiser has decided to appropriate a certain sum for advertising he must continue to do so, and since this advertising appropriation rightly expended is an addition to the Goodwill value of the business it cannot really be counted as an expense—it is an investment, a transfer of funds to reserve account—*so long as the process is continued*. In this connection the example of the old established firm of Day & Martin is worth remembering. In January 1923 it was announced in the press that this firm was to be sold and that the fact was directly attributed to their having given up advertising. In an interview the Managing Director stated that "Day & Martin up to 1894 had the world at their feet through advertising. From that time they omitted to keep telling the public about their goods, with the result that they are in the market." And in the market for what purpose? In order that new capital might be found to invest in the Company and re-establish it in the public eye by advertising.

VERSATILITY OF THE POSTER.

It is not difficult to discover further uses for the poster other than as the heavy artillery of the advertiser's broadside. Since each poster can be placed in a chosen spot it can be much better employed in stimulating demand in a backward locality than the newspaper advertisement which cannot be traced to its destination. The poster reaches the still large proportion of the community who do not feel any need of reading matter but cannot fail to be attracted by pictures. And they cannot easily escape seeing them in any case.

THE GOODWILL OF QUALITY.

The conclusion is now reached that the main purpose of the poster is either to *maintain* demand for a popular article or in conjunction with other forms of advertising to *create* a demand for a product. By the judicious expenditure of money and the careful study of the taste and habits of the public any good product can be sold repeatedly to the same person. But only a good product. This is a truism, but so many people forget it, especially those, and there are still a few of them, who maintain that the whole business of advertising is either illogical or immoral or both.

We have reached a convenient point to refer again to the question of distinctiveness in advertising and to realise that it is in this connection

that so many posters fail : they are so frequently like others advertising similar products that they fail to distinguish in the public memory the particular product to which they relate. It is for this reason that a distinctive figure ("Johnny Walker" is the most obvious example) is so valuable. He cannot possibly be confused with anything else on the hoardings or dormant in the mind of the individual observer. Failing the embodiment of the appeal in a trade figure something can be done by the habitual use of a standard style of poster.

DETERMINING SURRENDER VALUE.

The chocolate box type of appeal, the beautiful girl, the sunlit landscape, the curly headed child are all obvious means of attracting attention to a poster, but will they surrender the interest thus gained to the commodity which is the real subject of the advertisement? A poster which attracts attention by its own beauty or cleverness, unless it happens that the subject is closely allied to the article advertised, runs a very great risk of being entirely useless as a selling agent. Its effort has been wasted in entertaining the public rather than in enlisting their interests in our commodity. We must remember then to make our product an integral part of the picture and not to base our poster on some irrelevant although attractive subject, smuggling in the object advertised as an afterthought.

John Citizen and his wife like to *know*. They like to be shown. And we need not be content with telling them about our product or showing them what it is like. We can stir their imaginations by selling our merchandise not merely as one among many ways of disposing of a limited income, but as something new, something useful, something different, something which will improve their homes, increase their happiness. We should sell them not mere things but the ideas they can be linked with. This is a way of making our poster different.

"... IN OUR NEXT."

Hitherto in our study we have adopted the convenient fiction of the "average man," but in exploring our problem further and deciding how exactly our poster appeal is to be designed to attract the people we want to interest we are met with the difficulty inherent in all averages. They are very loosely related to the ends of the series they represent. Now our "average man" must be deserted and a closer analysis of our audience into its constituents substituted. This will form the subject of our next article.

(To be continued.)

?? ? ? ? ? ? ?

How ?
When ? Where ?
Why ?

Something has been said
already about these problems.

The How ? When ?
Where ? and Why ?
OF THE POSTER.

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your own ideas about them
or the answers we have
learned by long experience
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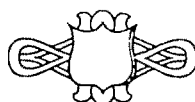
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Nutshell Reviews.



TIME was when the "best people" considered Commerce a disgrace, and Industry was anathema. To-day, we are familiar enough with the exact opposite. When titled ladies sell hats, and it is not beneath the dignity of a man like the late Lord Leverhulme to become the super fried-fish salesman of Great Britain, it may be counted an honour to be engaged in ministering to the nation's vital necessities. No more outstanding recognition of this fundamental change could be instanced than the issue of the Dictionary of Industrial Administration, by Messrs. Pitman's during January. It is the first comprehensive Encyclopaedia of the organisation, administration, and management of modern Industry. Having some, more or less, intimate acquaintance with the demand this monumental work has made upon the personnel of those engaged in producing it, we can say with emphasis that the work claims the serious attention of every man who considers it his business to become acquainted with, and remain informed of, the Industrial current of to-day.

Industrial Administration is developing into a science, and rightly so. Rule of thumb has disappeared. There is no room in the competitive world of to-day, for any man who is not prepared to co-ordinate his plans on the basis of a carefully thought out procedure, and some of the larger and more complex businesses have of necessity to be conducted with almost algebraic logic and sequence. There is no room for guesswork, but there is room for the man with ideas, be he twenty-five or fifty. It is no longer a question of too old at forty and too young at twenty. "What do you know, and how do you

propose to give effect to it?" is the acid test applied to the aspiration of the man who would conduct Industry as a departmental chief, or as a Napoleon of amalgamation. Ideas need execution, execution demands knowledge, knowledge requires data, and data a solid basis of information. All these pre-suppose the informed mind, and in spite of opinions expressed in some quarters, there is no short cut to either this or the top of the tree. If there is a royal road, it is to be found in the pursuit of knowledge attained in the light of experience of those who have trodden the road before, and have imprinted upon the page, for the guidance of students and the man of affairs, the results of their labours. Messrs. Pitman's have deserved well of those of us who read that we may run, but they have never demanded our appreciation and gratitude more than in the publication of this Dictionary. The organisation of the contents themselves reveals the mind that is a guarantee of the orderly production of minds well suited for their task.

The General Editor, Mr. John Lee, is known to the readers of "Business Organisation Magazine" through the medium of many valuable articles. We would say, with emphasis, to the young man of ambition, seeking advancement and prepared to pay the price of intense effort in its attainment, that he can do no better thing than make himself possessor of this invaluable guide, from the infancy of his efforts, through the years to the realisation of his ideal. He will find it an invaluable, and indeed, indispensable companion in many difficult situations. It will be more. On the basis of things accomplished, it will be a stimulant to still greater efforts and attainments.

The combined knowledge and experience of the leading industrial men will be found in this ambitious work.

PITMAN'S
DICTIONARY OF
INDUSTRIAL
ADMINISTRATION

THIS is a New Work for Industrial Owners, Directors, Administrative Staff Men, Factory Management Men, Accountancy Men, Research Men, Welfare Workers, and Industrial Employees and Students of Industrial conditions and Industrial Administration. It is a Comprehensive Encyclopedia of up-to-date information regarding the Organization, Administration and Management of Modern Industry.

OVER 100 Eminent Specialist contributors, including many of our greatest captains of Industry, have collaborated under the Editorship of Mr. John Lee, C.B.E., M.A., M.Com.Sc., in compiling this Work. Its contents cannot be ignored by anyone whose business, or career, or future career, depends upon the possession of a knowledge and an understanding of the established principles and up-to-date developments of modern industrial practice.

EVERY aspect of industrial activity is dealt with in helpful, practical articles, written by experts of national reputation. These articles range from the comparatively small question, such as that of Railway Rates, to the vast subject of Industrial Research. Accepted Principles of Administration, Practical Methods, and Actual Organization Plans relating to Modern Industry, form the key-note of the whole Work. The First Part, which gives a list of Contributors and subject titles, will prove of great interest to you.

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A RE-MARRIAGE OF THEORY TO PRACTICE.

The tendency to use scientific results in the industrial world of to-day is, says Professor Jones of Leeds University, merely the application of Economics to business. This is interesting as an example of the tendency of natural laws to preserve balance, because business is the sphere from which the subject matter of Economics is drawn. The factory manager of a couple of decades ago would have treated with contempt the suggestion that a knowledge of the application of Economics to his job, was a necessary qualification. Yet, we have travelled so far, that it is possible to publish a book on Factory Organisation embodying the idea as a commercial proposition.

This position has been reached partly by the effluxion of time, partly by the spread of knowledge and even more by the necessity with which British Trade is faced of re-organising its methods in order to deal with unprecedented difficulties in the struggle to maintain a place in the sun. The more progressive and effective businesses show marked evidence of disciplined thinking, there is coherence in their management with more stability in results. Constructive thought is more of a qualification for Directorship than family interests.

The experience of a number of practical men is made available, first in factory organisation, in the service of firms, who with exceptional initiative have recognised the factors vital to success, and insisted upon them as objectives. The chapter on the Principle and Practice of Industrial Relations is of particular interest to ourselves, because it is a subject which has been constantly discussed in the pages of this magazine. No man upon whom the responsibility of factory government is placed can afford to dispense with the profit of a close study of its conclusions. The incorporation in one book of the *Layout of the Factory and Selling and Transport* is an indication of an exceptionally clear grasp of essentials. Mr. Urwick contributes an enlightening chapter upon Marketing and Advertising, and has some pungent remarks to make upon the ineptitude of the British manufacturer in dealing with Market Problems at the present time.

"Factory Organization," By Clarence H. Northcott, M.A., Ph.D., Oliver Sheldon, B.A., J. W. Wardropper, B.Sc., B.Com., A.C.W.A., & L. Urwick, M.A.; Sir Isaac Pitman & Sons, Ltd., 7/6 nett

AN OPEN LETTER TO MISS GLADYS BURLTON.

Dear Miss Burlton,

I have been asked to review your book on "Retail Selling," but if the editor will allow me I shall write you this letter instead.

Just Published.

FACTORY ORGANIZATION

By CLARENCE H. NORTHCOTT, M.A., Ph.D.,
OLIVER SHELDON, B.A., J. W. WARDROPPER,
B.Sc., B.Com., A.C.W.A., and L. URWICK, M.A.

With Foreword by

Professor J. H. JONES, M.A.

Professor of Economics, Leeds University

An able survey of the problems and practice of modern factory management from the standpoint of economic science. The work meets the needs of both the practical business man and the student of economics. It is written by a group of business specialists who have had the advantage of University training, and who now hold important managerial positions in one of the largest and best organized industrial enterprises in the country.

260 pages. Price 7s. 6d. net.

Prospectus free on request.

Sir ISAAC PITMAN & SONS, Ltd.,

Parker Street, Kingsway, London W.C. 2.

My first thought was "I do hope that Miss Burlton actually sells the goods from behind some counter, because if she does I must go there at once, for she must be the most charming retail assistant there ever was"

But second thoughts prevailed and I decided: "No! I would not go to any shop where Miss Burlton acts as saleswoman, because I know that if I do she will sell me the whole shopful and I shall be powerless to resist."

I think you really do know how goods ought to be sold, and if I kept a shop (alas, I have no such luck!) I should want my assistants to read your little book, and wouldn't grudge them the business time they took to do it.—Yours faithfully,

THE REVIEWER

"Retail Selling," by Gladys Burlton, B.A.;
Jonathan Cape, 5/-.

ARE YOU A COMPANY DIRECTOR?

A cynic recently declared that half the company directors neglect their duties, and the other half haven't the remotest idea what they are.

An over-statement sometimes contains a very sound truth and most certainly it does in this case. It is probably a merciful thing for a great number of persons that the law is not always rigorously enforced, and that shareholders are lenient when their directors are doing their best.

But in these days when directorships are held by many people who may be very busy in other ways, or who may become associated with laxly conducted companies, it is desirable that there should be some simple and practical manner in which a director can ascertain his duties.

"Practical Directorship," published by Messrs. Pitmans and written by two brilliant members of the Institute of Auditors and Accountants, serves this purpose in a most satisfactory manner. It contains some essential facts of the Company (Consolidation) Act in Table A.

"Practical Directorship," by Henry E. Colesworthy and Sydney T. Morris; Sir Isaac Pitman & Sons, Ltd., 7/6 nett.

PASSING THE SELLING CURRENT THROUGH THE DEAD SPOT.

There is no insularity in a good idea. If it is in a foreign tongue you may have to translate it. If it is only worded under foreign circumstances you may dock it of the local frilling; but if it is a sound idea it has universal values.

A book has just appeared which is frankly American in every page, but that is the worst (and it is not a very shocking worst either) that we have to say about it. It only involves that you Anglicise a bit as you read and try to remember that human nature is the same in Liverpool as in New Orleans and in London as in New York.

The book by Miss Ruth Leigh is entitled "Training the Retail Clerk to Sell Your Product," and here is need for translation at the start, for "a retail clerk" is what we should call "a shop assistant" or "a retail salesman." In this land a clerk keeps to the office or the counting house.

The principle underlying the work is the manufacturer of a product should carry his salesmanship efforts over the point that, in this country at all events, is scarcely held to be within his sphere.

Even the owner of a highly advertised brand usually satisfies himself with the two ends of his work. At one end, he approaches, influences and convinces the ultimate buyer by means of press and poster publicity thus creating a draught of demand. At the other, he erects an excellent selling organisation so equipped that there is a skilful and powerful method of getting the goods into the retail establishments.

The British trader has long been satisfied that if these two ends are well looked after, the un-influenced point between them will allow the flow to be uninterrupted and steady.

Miss Leigh does not appear to agree the

drawing power of public demand, and the pushing power of efficient wholesale trading, may yet be futile unless the middle man as represented by the actual salesman at the counter can be brought into the scheme of things.

" 'Why should I pay Four and Sixpence for Dulverton's when I can get those others for Three and Nine?' " asks the lady at the counter.

The shop assistant treats it as a riddle and gives it up. Why should she? After all as long as she buys something does it so much matter?

And so it may happen that the draught of demand fails to draw and the wholesale selling machine fails to function, just because the salesman "doesn't know."

But Miss Leigh realises and makes the reader realise that there is in Mr. Dulverton, or his sales manager, a person whose business is not entirely limited to newspaper pulling power and commercial travellers' eloquence. It is up to him to get at the assistant and to help that worthy to come out with the satisfactory and convincing reason why the extra ninepence paid is really one and sixpence saved.

We presume there is a reason of some sort for the difference, and that Mr. Dulverton is not asking a higher price with his tongue in his cheek, and a hope in his heart, that the mild overcharge will not be noticed. He probably

Training the Retail Clerk to Sell your Products

By RUTH LEIGH.

Educator and Counsel on Retail Selling and Retail Merchandising problems for National Advertisers.

A book for all concerned directly or indirectly with the manufacture, distribution, advertising or selling of goods which are ultimately sold to the public in retail stores. A book that gives sound, proven-in-practice principles of retail education; a book that shows how to increase the sale of a trade-marked merchandise by means of better trained store clerks.

Summary of Contents :

Why Manufacturers are training Retail Salespeople, Technical information about Merchandise, The Correspondence Course Method, What the Clerk should know about Selling, The Dealer House Organ, The Merchandise Tag, The Technique of Writing to Sales People, The Travelling Instructor, The Travelling Salesman, The Dealer Salesman School, Suggestions to Manufacturers for Conducting Educational Work

239 pages, illustrated 15/-

McGraw-Hill Publishing Co., Ltd.,

6 & 8, Bouverie St., London, E.C.4.

believes right through to his backbone that Four and Sixpence is the right price to demand and if he could stand where the assistant stood for a few vital moments, the lady would not only clutch the bargain eagerly but bring all her neighbours to buy as well. Yet the assistant says "I don't know I'm sure" and does the Three and Ninepenny trade.

Miss Leigh describes the methods by which the shop assistant can be helped by brand owners and advertisers to link up their selling service at its critical point. One would not suppose that there are so many ways and such good ways as this enthusiastic and versatile writer finds.

Of course the retailer himself is brought into the plan and the educational work suggested is presented as very valuable to him and very effective in training his staff for their general work.

Miss Leigh is particularly severe upon all dubious and questionable methods of secretly influencing salesmen and properly so. Apart altogether from the fact that such attempts are foredoomed to failure they are unfair to the retail trader, who at least should be accepted as an independent and responsible controller of his own business.

We recommend this book to all manufacturers, advertising firms and retailers as well worth their study.

"Training the Retail Clerk to Sell Your Product,"
Ruth Leigh, McGraw Hill Book Co., 12/-

TEACHING THE YOUNG IDEA HOW TO TRADE.

A useful work in two volumes has been issued by the Gregg Publishing Co. for the purpose of preparing young people for business life. The first volume is especially valuable for its introductory matter and outlines of Trade Transport and Finance.

There is a strong human touch throughout and business problems are not presented as being merely arithmetical. For example, one of the chapters concludes with quotations from H. G. Wells' "Mr. Polly," in which the views of Parson's on the art of window dressing and a description of Parson's finished effort are presented. The student is asked to express his views on Parson's idea of window dressing. A most interesting method of study!

The book should be useful in training schools and to the beginner in commerce.

"Elements of Commerce," H. L. Garrad & L. Oliphant,
The Gregg Publishing Co., Ltd., 2/6 per vol.

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A scholarly and interesting presentation of the subject. Part I (Elementary), 2s. 6d. Part II (Advanced), 2s. 6d.

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HOW TO SPEED UP INDUSTRY.

"Can it be simply stated?" is as good a test of an industrial method as of a great abstract principle. Mr. Henry Atkinson in explaining the well-known Priestman-Atkinson system of Co-operative Production, must make many converts by his book, because he not only explains his case cleverly but shows how easily the method can be applied under most adverse and unexpected circumstances.

There is no room here to attempt to outline the method, nor would such a course be fair to Mr. Atkinson. What strikes the reader as the great point about the system is that while it safeguards the employer and financially benefits the worker, there is a third end that is aimed at and reached which, with all due respect to everyone, is surely the chief purpose of all industry: it makes for better service for humanity.

This is really a vital test. Strikes may benefit some classes and lock-outs benefit others. But the community suffers in either case. Restricted output, arbitrary rules and conditions may find defenders, but our real way of reviving Britain's trade lies along the path of production and the economic use of energy.

"Co-operative Production," by Henry Atkinson,
M.I. Mech.E., Benn, 12/6 nett



Shipping and Transport



Motor Law.

By F. E. SUGDEN, A.C.I.S., *Barrister-at-Law.*

The average business man has little knowledge of the legal aspects of Commerce, vital though they are to the success of his operations. His invariable comment is that it is the Lawyer's job. Many large Business Houses are recognising the desirability of including the Legal Adviser as an integral part of the personnel of the firm, and many Lawyers with an inclination for Commercial-cum-Legal prestige are catering much more specifically for this aspect of business development.

The growth of Road Transport has introduced an element into its transactions which, whilst familiar enough in some walks of life, is comparatively a new-comer in this. The character of Road Transport permits its operations to be conducted by small units, if necessary, and this has led many men with business capability to introduce themselves to the profession, by the medium of a vehicle purchased by instalments or on the hire-purchase system. That there is a distinction between the two, is not clearly realised by most men, and it is for the purpose of assistance to a clear vision, and more business-like action, with less risk of failure, that we have requested our Legal writer to deal with this question in a very exhaustive manner. The article will be worthy of close examination, and we are prepared to reply to queries arising out of the subject matter of the articles or any relevant query without charge to the querist. The replies will be published in the Magazine.

OUR worthy Editor has requested me to deal with a very important subject which is more and more directly affecting the astute commercial aspirant and which will in the very near future directly affect practically everyone. The subject chosen, which is of such world-wide importance, is the law from every conceivable angle in reference to Motor Cars.

Naturally one asks the question. how shall such a difficult question be handled? One suggests first that the law in reference to the actual purchase is helpful. There is now another difficulty in this direction. Many cars are not purchased for spot cash but on the hire purchase system. Therefore, owing to the considerable volume of business now transacted with regard to mechanically propelled vehicles by the hire purchase system, it is important to deal with the main difficulties experienced by those dealing with vehicles in this way which have arisen by reason of the possibility of the vehicles being

so dealt with by the hirer, before the full amount of the instalments has been paid, that third parties (i.e., all other persons in the world) are able to establish claims upon the vehicles which can defeat those of the owner. This system of purchase is done by means of hire purchase agreements.

Hire Purchase Agreements.

By means of these hybrid agreements facility is given to purchase goods on credit. This system enables the purchaser, or the person who, if all goes well, ultimately will become the purchaser when he has paid all the instalments, to enjoy the possession and the use of the goods, without, however, entirely exposing the unpaid vendor, or the owner who hopes eventually to become the vendor, to the risk of losing the goods, in favour of the purchaser's creditors or of transferees from the purchaser.

Buyer and Hirer Defined.

The real *crux* is whether the transaction is an agreement of mere hiring until something happens (e.g., the exercise by the hirer of the car an option to buy), or an agreement to sell. Upon this test will depend the important question, namely, has the recipient of the goods "agreed to buy" them as laid down by section twenty-five of the Sale of Goods Act, 1893, so that, being in possession of them with the consent of the seller, he can make a valid sale, pledge to any other person. Section twenty-five of the above Act reads as follows: "(1) Where a person having sold goods continues or is in possession of the goods, or of the documents of title to the goods, the delivery or transfer by that person, or by a mercantile agent acting for him, of the goods or documents of title under any sale, pledge, or other disposition thereof, to any person receiving the same in good faith and without notice of the previous sale, shall have the same effect as if the person making the delivery or transfer were expressly authorised by the owner of the goods to make the same; (2) Where a person having bought or agreed to buy goods obtains, with the consent of the seller, possession of the goods, etc., the delivery or transfer by that person or by a mercantile agent acting for him, of the goods or documents of title, under any sale, pledge or other disposition thereof, to any person receiving the same in good faith and without notice of any lien (i.e., legal claim) or other right of the original seller in respect of the goods, shall have the same effect as if the person making the delivery or transfer were a mercantile agent in possession of the goods or documents of title with the consent of the owner." One does not desire to burden our reader with legal definitions but it is necessary to define Mercantile Agent, namely, in accordance with the Factors Act it is an agent having in the customary course of his business as such agent authority either to sell goods or to consign goods for the purpose of sale or to buy goods, or to raise money on the security of goods.

Sale and Hire Agreements Defined.

If the so-called hirer of the motor car has entered into a binding obligation to buy, paying the price by instalments, though the property in the goods is not to vest in him until the payment of the last instalment, the transaction is an agreement to sell and the so-called hirer has "agreed to buy". If, on the other hand, the so-called hirer has the option either to terminate the agreement and return the goods to the owner, or to buy them upon payment of the whole of a certain number of instalments, then

the transaction is hire, unless and until the option to buy is exercised. Until this particular stage has been reached the so-called hirer of the motor car has not "agreed to buy" and cannot validly pledge or otherwise, that is by sale dispose of the car.

Before discussing the legal interpretation of a hire purchase agreement there are several points worthy of note, namely, if a hire purchase agreement imposes upon the hirer an obligation to complete the purchase of the vehicle, this particular hirer has legally "agreed to buy" and can therefore sell to any other person (that is what is termed in law a third party) the motor car at that particular time in his possession.

The above right is now superseded by the owners of motor cars by providing in the contract that the prospective purchaser has only an option to purchase the vehicle and this is in a legal position of being able to return the car at any time. If a purchaser of a car on the hire purchase system sells the car before he has completed the instalments he is liable to prosecution for larceny.

Legal Interpretation of Lease.

Coming now to the actual legal interpretation of a hire purchase agreement it is perhaps useful to study carefully a typical example. One likens a hire purchase agreement to a lease in reference to house or shop transactions. The prospective purchaser in the case of a motor car is called upon to sign usually a printed stereotyped agreement prepared by the vendor in a manner similar to that in which the prospective tenant signs a lease submitted by the landlord.

In reference to the actual clauses in an agreement. The first part simply gives the names of the parties which is usually in all agreements, namely, the vendor and the prospective purchaser of the car and also the actual duration of the agreement.

Ownership and Repairs Claims.

The next clause, sometimes reads as follows, "During the continuance of the agreement the Hirer undertakes to keep the said Motor Car and accessories in good repair and working condition (but this shall not authorise the Hirer (i.e., the prospective purchaser) to create any lien thereon for repairs) to retain the same in his own possession and not to remove or allow to be removed or changed its present identification mark (.....). It is agreed that the said car and accessories shall remain the property of the said Owner unless and until the Hirer exercises the option to purchase contained in Clause . . . hereof after becoming entitled so to do."

The effect of the foregoing is that the prospective purchaser will take reasonable care of the car and its accessories and have the necessary repairs executed. The prospective purchaser cannot mortgage in any way the car, etc., as a security for the payment of the repairs for which he is liable, e.g., he cannot go to any garage and say "Please do these repairs, I will pay you when I can and you may have a charge or a lien, as it is generally called, on the car as a security for the payment of the bill." More important still is the fact that during all this period the car is still the property of the vendor and therefore the prospective purchaser has not any legal right to dispose of the car in any shape or form.

Monthly Payment Claims.

There is the clause in reference to the consequences in regard to the default in the monthly payments, namely: "Should the Hirer make default in any monthly payment as agreed, or commit any other breach of the agreement, or should he die or have a Receiving Order made against him or make any arrangement or composition with his creditors, or should the said Motor Car be seized under execution or legal process (or, being a Company, should a petition to wind up be presented or a resolution for voluntary liquidation be passed), the Owner shall have the right at any time to declare the hiring terminated and to retake possession of the said Motor Car and accessories, and to recover against the Hirer the amount due to him for hire up to the end of the month in which possession is so taken, plus the cost of putting the car into good repair and working condition, and in addition the cost (if any) of taking possession. In the case of any dispute or doubt as to the amount of such cost of repairs and taking possession, the same to be fixed by an expert (named in the agreement)."

The interpretation of the above agreement is that should the prospective purchaser make default in his monthly payments for such reasons as inability to pay or becomes bankrupt or dies, etc., the vendor may terminate the particular agreement at any time and reclaim possession of the motor car and its accessories. The vendor may also claim the amount due on the monthly payments up to the end of the month of the date when the vendor recovered possession of the car. The vendor may also charge the former hirer with the cost of putting the car into good repair and working condition including the payment of actually obtaining possession of the car where

there is any difficulty, e.g., application to the Court, etc. There is nearly always reference made in case of interpretation of dispute (if any) to an independent party usually named, either an expert or an arbitrator. The prospective purchaser should exercise great care that the expert or arbitrator is impartial and would not serve one interest to the detriment of another interest.

Pre-Examination of Cars.

There is also very often the following clause: "The Hirer has examined (or caused to be examined) the said car previous to the Agreement, and satisfied himself as to its condition and running, and no warranty, condition, description or representation on the part of the Owner as to the state or quality of the chattels, the subject of this Agreement, is implied, or as to their fitness for any purpose, any warranty, condition, description or representation as to quality or fitness or road worthiness being hereby excluded, both as to hire and as to sale, etc." The above clause has a far reaching effect both to the prospective purchaser and the vendor. Briefly it means that when the hirer takes actual possession of the car he must do so with his eyes actually open. In other words, he must not take anything for granted, he must examine the car for himself, he is not expected to accept any description that the vendor might give to him regarding the car's capabilities and condition. In Law he will be deemed to have had full opportunity to make a thorough inspection of the vehicle when he takes possession of the car but more important still the prospective purchaser will be deemed to have received a car free from all defects and therefore in case of breach of agreement will be expected to return it in the same condition as he was deemed to have received it at the commencement.

Police Regulations.

The next clause is not a very serious one: "During the period of hire aforesaid, the Hirer shall not use, or permit the said Motor Car to be used, in contravention of any of the Statutes and Regulations for the time being in force in reference to Motor Cars, or otherwise in any way contrary to law, and shall not hold out or represent that he is the true owner thereof." This clause means that the prospective purchaser has no authority from the vendor to contravene or break the Police Regulations in any shape or form in reference to motor cars. Also the hirer (or prospective purchaser) must not represent to the general public that he is the owner of the car.

(To be continued.)

Transport and Internationalism.

By J. A. DUNNAGE, F.S.S., F.C.I., A.M.Inst.T.

(Editor "*Transport Management*")

CONGRESSES, conferences and committees are the order of the day, and very useful work they initiate, but so that the greatest value may be gained by the world from the time and money spent in such deliberations it is important that recommendations which convey the concentrated wisdom of those present should be kept well before us, and constantly used as an "aiming post" until achievement follows vision.

A VITAL LINK.

At the World Economic Conference, 1927—the first of its kind—the vital connection between smooth and efficient transport and greater general prosperity was fully recognised. Much time was devoted to a consideration of the present difficulties of conducting transport and moving goods and passengers across national frontiers, and the necessity for simplification in routine was fully insisted on. So little practical success has yet followed the recommendations of the Conference that no apology is needed for deliberately choosing this special issue of "*Business Organisation*" in order to re-state and, so to speak, underline, certain of the leading points that emerged.

CONSTRUCTIVE SUGGESTIONS.

The following resolution indicates the sense of the Conference on the subject of obstructions to transportation —

"That the various railway administrations should come, as soon as possible, to an agreement on uniform regulations such as those in existence before the war :

"That they should not only agree to uniform types of trucks, but also adopt a uniform system in their equipment, especially in regard to brakes :

"That they should make representations to their Governments with a view to obtaining such simplification in the Customs and passport service as would facilitate traffic :

"That the 24-hour time table be extended to all countries both for passenger and goods traffic :"

On the subject of sea transport it was recommended : "That all maritime nations should ratify the Maritime Ports Convention and give full effect to it in both letter and spirit, when flag discrimination would entirely disappear, and accept as equivalent to compliance with their laws compliance by foreign vessels with the laws of their own country, when these are substantially equivalent to, though not identical with, their own." The widespread practice of subsidising shipping was considered undesirable, as introducing an uneconomic element into business and distributing markets.

A TILT AT THE CUSTOMS.

Special attention was devoted to the "vexatious requirements" of the Customs regulations, and in some cases their arbitrary application, especially in the matter of Custom House fines, excessive charges, multiple visas on manifests, bills of health, etc.

Regarding air transport the following recommendations are made :—

"Taking into account the difficulties presented by combined transport, enquiry should be made into the possibility of through tickets and bills of lading, for distances covered in part by air and in part by other means of transport. Arrangements between air companies and railway and shipping companies to enable air passengers to forward their luggage by other means of transport, as is already done in various countries, would be of advantage.

"Customs operations connected with luggage or goods transport partly or entirely by air should be accelerated : and the hours of service of Customs employees assigned to supervision of Air traffic should be so arranged in all coun-

tries that such employees will be on duty at the ordinary hours of arrival and departure of goods aeroplanes.

"In the case of air passengers, and all others, those making only a short journey to a neighbouring country should not be required to carry passports but merely official identity cards: this same recommendation applying to the crews of commercial aeroplanes."

TRANSIT OF ROAD VEHICLES.

At the World Motor Transport Congress held in December last the Allgemeine Deutscher Automobil Club proposed a resolution making for the freer movement of business vehicles on the road. They pointed out that the freedom granted to automobiles used for touring purposes—the "régime des triptyques"—was in many European countries restricted purely to touring vehicles. The crossing of frontiers for business purposes, though often more urgent than in the case of touring, was attended by more difficulties, although admittedly the position was not fully realised because it was not always possible to detect when cars for which a triptyque was issued were engaged on bona fide touring and when on business. Some countries altogether forbid the crossing of their frontiers by motor trucks or require a special permit, which often takes months to procure. Only a few countries, viz.: Belgium, Denmark, Germany, Switzerland, and Holland, extend to motor trucks and business vehicles the facilities normally granted to touring automobiles. Enquiries as to the exclusion of motor trucks from the facilitated triptyque system cause one to believe that such exclusion arises from a fear that the "intruder" might carry on a haulage business, once inside, to the disadvantage of the inland carrier: and that the railways might have to encounter "gross and detrimental competition." It can be pointed out, in answer, that every motor vehicle would have a nationality plate, and that the triptyque and tax licence would give information of the place and date of the last frontier crossing. The best proof of the practicability of admitting motor trucks to the free triptyque system is the experience of the countries, such as Belgium, which have introduced the system.

INTERNATIONALISATION OF SIGNALS.

An international association founded in 1898, shattered by the war, was reconstituted in 1919 under the title "Alliance Internationale de Tourisme" (A.I.T.). It represents clubs totalling a membership of over 2,500,000 motorists—people who spend vast sums annually abroad, meet foreign peoples and sow seeds of international

amity. It has done already a good deal to promote and facilitate international travel, but has much more before it. The standardising of road signs and traffic signals comes within its range. An important objective has been gained in the standardising of the triangle to signify danger. The question of a uniform code of signals to be given by police officers is difficult. In some countries the driver must signify, by sounding his horn in a prescribed manner, which way he wants to turn. Without this the police officer will not signal him on.

Much has been said about the abolition of the passport visa. Undoubtedly it hampers international circulation. Apart from the cost—which for an extended tour may reach £5 to £8—there is the trouble. A visa omitted means that the motorist avoids the country in question. Recently 12,000 members of the American Legion came to Britain. The visa fees chargeable totalled £24,000. Had they not been remitted, it is understood that this great party would not have visited this country. Common sense in the mass should apply also to the individual. Rational views are prevailing. Already visas have been abolished by many countries, and the time should come when not only visa, but passport, will no longer be necessary for the tourist.

TOURISTS AND TAXATION.

Reciprocal freedom from all motor car taxes for a certain period should also be striven for, so that visiting motorists can pass unhampered through all countries. Some countries do grant certain immunities from taxation to visiting motorists. Great Britain and the Irish Free State allow four months' exemption. Italy allows three months' exemption from its national tax, but not from its provincial and communal taxes. Some countries, like Belgium, Holland, Spain and Norway, grant immunities on the score of reciprocity to visitors from Great Britain and other countries give similar exemptions. Since visitors spend money in a country the granting of such exemptions would seem to be highly desirable. The existence of the triptyque regime indicates that this argument is realised. Should not the logic apply a stage further, and bring about exemption from motor tax and the passport visa?

Since travel is often the precursor of trade, special attention has often been devoted to the travel aspects of the case. Yet in the realm of goods transport there is, as has been briefly indicated, very much more to be done, and the help of every internationally minded person in every country is bespoken to assist to the limit of their powers this very practical way of improving the general level of world understanding.



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Specially written for "B.O.M."

By C. W. FRERK,

*Delegate, International Economic Society,
V D R Advertising Association, etc., etc.*

MANY and various are the problems which manufacturers meet when engaging in export business. The questions of where to sell, and what class of goods to sell to certain markets seem to rank first. Regular lines can, of course, be sold in practically all countries, whereas the sale of articles of luxury is confined to markets with a comparatively high purchasing power, and low rates of duty.

Considerable misunderstanding, however, seems to prevail with regard to goods saleable in East and West African territories, from which enquiries—mostly from native traders—reach our manufacturers almost daily. Manufacturers pay little attention to these highly phrased requests, because, as they rightly assume, these native traders are not in the market for regular lines of products, nor could they pay the prices asked. Yet these enquiries can be turned to some profit.

THE QUESTION OF JOB LINES AND STOCK REMNANTS.

We need hardly emphasise that there are quite a number of old established trading firms, both on the East and West Coast of Africa, who deal in all regular goods for the white population, as well as in articles for the native. But in the following observations, I wish to deal with the native trader, who has a certain right to recognition by the European manufacturer.

There are many branches of industry, in which, in the process of manufacture, articles are produced, which can neither be considered nor sold

as regular lines. Take the leather goods industry, for instance. Certain faults may be discovered in a number of the articles produced; bags and pouches may have been wrongly cut; there may be ugly seams; holes in skins of leather. The cutter may have been wrong in his calculations when cutting the skins. Such accidents do happen, and they will happen even in the best organised factory; in the boot and shoe industry they are often unavoidable. In the stationery industry, there are frequently large quantities of faulty pencils, copy and note books, and similar articles. Thousands of cheap note blocks are made from paper cuttings and other examples could be mentioned.

Such faults, however, need never condemn the articles as entirely useless. Every well organised firm will sort the output, and separate from the standard article those productions which are faulty, or which deviate in some points from the regular article.

WATCH YOUR SHIPMENTS.

Continental manufacturers used to describe these job lines as "export goods," and received many well deserved complaints from overseas, and lost many customers. It had often been discovered that such job lines had been packed with large consignments of regular merchandise, in the assumption that about 1% of job lines would hardly be discovered among a large quantity of goods. It is needless to comment upon such methods. When dealing with export orders special attention should be paid to the quality

and up-to-sample-standard of the goods shipped, as only the best can secure repeat business from overseas. Every piece of manufacture sold abroad carries the prestige and reputation of British enterprise into foreign lands. Although there may be unscrupulous importers who, given certain discounts and allowances, will sell anything, we must always bear in mind that it is the ultimate consumer of the British article, who creates the "For" and "Against" in reference to British goods, in the public opinion and attitude of a country. If it were possible for British manufacturers to supply the foreign consumers direct, export figures would undoubtedly increase rapidly; manufacturers who have their own retail distributing organisations abroad will agree on this point. The position of export business would also be much more favourable, if British manufacturers could always find importers and agents of British nationality in the foreign and overseas markets. But, as matters stand, most manufacturers have to use the services of foreigners as representatives or middlemen in export markets. Quite frequently these agents are little interested in securing a fair share of the local business, for the British supplier; they are merely buying from him as and when orders come to hand.

HONESTY IS

When realising the full meaning of this psychology of foreign and overseas agents, manufacturers will no doubt endeavour to take such steps as will eliminate all possible chances of faults being discovered with regular goods, so that an "Against" in respect of British goods cannot possibly be crystallised at the place of destination. If a manufacturer has secondary goods to offer, he should not hide this fact. There are abroad, as well as at home, certain dealers who require such goods for a certain class of the population. This should be impressed upon the staff in the packing and shipping departments; it is always likely that even during the first sorting faulty articles may have been overlooked. The packer should not say: "Oh, well, such a little fault on only two bags in a consignment of two gross; nobody will notice that." The importer and even the foreign retailer may "not notice anything"; probably both will handle the article only once or twice, and overlook the faults; but the ultimate user of the article, the woman, for instance, who carries the handbag daily; she will discover that something is not as it should be, and she will resolve never to buy another English handbag, or whatever it may be. Anyone who has been globe-trotting, will have heard many a sad story about faulty goods from Europe.

The manufacturer must realise that articles which are not considered as regular lines at home, cannot possibly be dumped on foreign markets. The fact is, that in most overseas countries special value is attached to the appearance of an article, perhaps much more so than at home, where the practical and ultimate service of an article is probably the more decisive factor. In some markets the exterior, shape, style, form, make-up, decoration, etc., of an article are considered before anything else..

It must also be borne in mind that many importers and dealers abroad, who have been "bitten" at one time or another, with bad supplies, subject European consignments to a most detailed inspection, and in this connection, it may be said that numerous complaints from abroad are exaggerated and without cause, frequently made in order to secure special allowances.

SOLVING THE PROBLEM.

But let us get back to our job lines. What is the manufacturer to do with the quantities of such goods, of which he may wish to dispose from time to time? To many manufacturers this is a serious problem; now and again the producer realises that these job lines or stock lots represent, after all, certain values, which cannot simply be "written off."

The solution of this problem is, however, not so difficult as it may appear. There are parts of the world where requirements are almost exclusively met with such job lines. Africa is one of those parts, or, to be more definite, the Gold Coast, Togo, Cameroon, Congo. One of the characteristics of these territories is the primitive character of commercial life. There are but a few white people; they are not of vital importance when judging sales opportunities, so that business, on the whole, is jobbing business. The quantities of job lots and faulty goods of all kinds which are sold here annually, would surprise even the most experienced African traveller. But much more of a surprise is the fact that the native traders and auctioneers, as they choose to style themselves, at Accra, Keta, Sokoto, Lagos, Boma, Bukama, and other places, seem to be accumulating fortunes from the import of these "shelf-warmers," misfits, etc. A native trader of the Gold Coast, with whom I am well acquainted, has fat bank accounts at Accra, London, Liverpool, and Hamburg. My friend, as well as many of his black "competitors" are making their fortunes by trading in battered felt hats, caps, military helmets of the armies of all nations, tin hats, trousers and coats with different lengths of legs and arms, grotesque pairs of boots and shoes—two lefts or two rights, one brown

another black, one larger than the other, some without heels—handbags made of leather cuttings, shopping bags, wallets and purses which we Europeans would never recognise as such; trunks and suit cases which are out of shape, without locks or handles. Then there are pots and pans without handles, half length pencils, badly cut or ruled copy books, some without covers, others with leaves of various kinds of paper—and there are other articles which are sold in darkest Africa.

BARGAIN SALES!

This trade is almost exclusively in the hands of negroes, dagoes and others, many of whom enjoy a good reputation as business men, although care should always be exercised in business transactions out there. Now and again one may meet a white trader and auctioneer, who specialises in job lots and so-called trek-goods. This specialisation has no bearing on the class of goods handled, as these traders deal in anything and everything imaginable—and their stores often offer sights which are sufficient to make a cat laugh—still more the European visitor. Auctions are held on market days, and it may seem incomprehensible to the layman that within a very short time some twenty to fifty cases of these goods are sold. In addition, cases and parcels are packed on oxen-drawn carts—nowadays, Ford cars also enter into this service—and off they go into the interior.

MÁRABA! MÁRABA!

And how the natives jump for joy when these consignments arrive at Zunguru, Kano, Kuka and the many native villages on the route. And the selection they make at these "sales"—one pair of trousers, one coat, an officer's uniform, a "modern" straw hat, a "leather" bound note book with mirror, a purse, wallet, a beautiful handbag for the black bride-to-be, leather bags which serve as water-carriers; bags without handles which make practical sunray-proof head-gears—tall or small, everybody comes running along, everybody buys—and there is no credit or instalment system in use either: *yau i na samu kur'di—To-day I get my money—is the trader's password.* And when everything has been sold, and the cart returns home, you can hear everybody shout with joy "*zo kuma maza*"—"Come back soon." Is not this a more interesting and more pleasant way of selling than that of the traveller in London, who, when calling on a firm, is told by the prospect's finest specimen of office boy, "*Not to-day, baker—the boss ain't in.*"

And the things and sights you may witness out in darkest Africa: a wardrobe trunk serving as cradle or pig-sty; beautifully coloured belts are used to strap the little niggers on the backs of their busy mothers; black "beauties" pulling faces in front of the mirrors of their newly acquired handbags; dog collars serving as bracelets or leg-ornaments, so that movement of arms and legs are frequently accompanied by the tinging of the little bells—what ideal jazz music for war dances! (Many new uses of articles could be introduced in Europe).

Now, I hope to have shown where job lines can be sold. We need no longer enrage our best clients with these goods, but can indeed make new clients, although this may sound paradoxical. I sincerely hope that on my next Ford journey through African villages, I shall encounter more British goods. I should certainly feel more at home.

I NA GAISE KU.

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Markets of growing importance for British goods are at present:—Argentina, Brazil, the Dutch East Indies, the Straits Settlements, and in Europe, Germany, Scandinavia, the Baltic States.

It is expected that during 1928 far-reaching commercial and industrial developments will take place in these markets, developments of particular interest to manufacturers of agricultural machinery and implements, building and construction material, electro-technical equipment and apparatus.

British manufacturers should make themselves thoroughly acquainted with the market conditions, requirements, commercial usages, competitive tendencies, etc., in these markets, in order to be adequately equipped when the rush of business sets in.

Our research men in the territories mentioned above have already been given instructions to collect data, and compile special reports and analyses, and investigate the selling opportunities for certain classes of goods. These special reports are of tremendous value to manufacturers who are anxious to develop their export trade on definite systematic lines, in order to cope with the conditions as they are met in foreign and overseas countries.

We invite manufacturers who are interested in any of the above named markets, to communicate with us, stating their requirements and intentions, enabling us to instruct our investigators accordingly. This invitation is also directed to industrial and trades associations and federations in this country, for whom we are able to compile special reports which could be submitted to their members.

"B.O.M." CONTACT SERVICE.

Contact has been established between a Bavarian manufacturer of Christmas tree ornaments and one of our readers, a London importer, who will be acting as sole agent in the United Kingdom, for the Continental manufacturer. Our reader is exceedingly pleased with this result of our Contact Service efforts.

Visit No. 568a,
THE B.O.M. SERVICE STAND
 —+—
 FOURTH FLOOR, RINGMESSHAUS,
 LEIPZIG FAIR

IMPORTANT NOTICE.

We have received requests from many of our regular readers, asking us to re-introduce the Comprehensive Market Surveys, on the lines of those we published on Holland, Egypt, Germany, Czechoslovakia, Norway, Sweden and Denmark, preferably with Statistical Supplements such as we published on Holland, Egypt and Germany.

These requests do not surprise us, as we ourselves had ample evidence of the value of these Surveys with Supplements. However, we repeatedly asked our readers to state their special wishes, before we discontinued the series.

We should now like all those of our readers who take a special interest in this section, to give us their definite replies to the following questions.

- (1) Do you wish us to re-introduce the Comprehensive Market Surveys? or to retain and continue the present series of Compact Surveys?
- (2) Are you anxious that we should re-introduce our Statistical Supplements, and if so, are you willing to pay 5/- per Statistical Supplement?
- (3) Which countries (British or Foreign) are you particularly interested in?

There are a great number of extremely important markets to be dealt with yet, especially the British Dominions, but also the South American Markets, Japan, China, and in Europe, France, Italy, Spain, and others, and we are very anxious to know our readers' special wishes concerning the treatment and presentation of our Surveys. After all, these Surveys are to be of practical use and value to our readers, and the more they co-operate the better will be the result.

As far as the Statistical Supplements are concerned, our readers will realise that their production is extremely costly. On the other hand we have readers who are willing to pay upwards of 10/- per Supplement. If we know of many more, we shall be able to produce these Supplements at a reasonable figure, and re-introduce them with Comprehensive Market Surveys.

Besuchet No. 568a,
B.O.M. AUSKUNFTSSTAND
 —+—
 VIERTER STOCK, RINGMESSHAUS,
 LEIPZIGER MESSE

"B.O.M." Compact Export Market Surveys.

By C. W. FRERK.

VIII.—THE NETHERLANDS EAST INDIES.

COMPACT FACTS ABOUT THE MARKET.—**Area:** 733,681 square miles, of which Java and Madura, 50,752 sq. m.; Sumatra 163,145 sq. m.; Dutch Borneo, 206,819 sq. m.; Celebes, 48,060 sq. m., and the rest of the Archipelago, 264,905 sq. m. **Population:** 49,350,834, of which 109,800 Europeans. **Distribution of Population:** Java and Madura 34,984,171; Sumatra 5,852,135; Dutch Borneo 1,626,000; Celebes 3,108,337; rest of Archipelago 3,780,190. **Important Cities:** Bandjermasin, Bandung, Batavia, Djokjakarta, Makassar, Padang, Semarang, Soerabaja, Soerakarta. **Capital:** Batavia. **Languages:** Official: Dutch; Native: Malay, Sudanese, Javanese; Business: Dutch, English, German. **Monetary Unit:** One Guilder or Florin of 100 cents; at par: Fl 12 10 to £1. **Weights and Measures:** Metric System. **Railway Mileage:** State-owned, 4,105 km.; privately owned, 7,120 km. **Principal Ports:** In Java: Batavia, Soerabaja, Semarang, Cheribon, Tjilatjap. In Sumatra: Belawan, Padang, Palembang, Telok Betong, Benkoelen, Sibolga. Free Port Sabang in North Sumatra. In Celebes: Macassar, Menado. In Dutch Borneo: Bandjermassin, Pontianak, Balikpapan. In Dutch New Guinea: Merauke.

PRINCIPAL IMPORTS.

Textiles, yarns, rice, cigars, cigarettes, tobacco, iron and steel, and iron and steel ware, machinery and machine tools, other tools, fertilisers, motor cars, cycles, and accessories, chemicals and medicines, ready made clothing, boots and shoes, paper and stationery, earthenware, tiles, bricks, hardware.

IMPORTED FROM.

In order of importance: Holland, Great Britain, Japan, Germany, United States. During recent years Germany is concentrating on this market, and is making an energetic bid for the first place among the countries of supply.

PRINCIPAL EXPORTS.

Sugar and molasses, rubber and gutta percha, tobacco, copra, tea, petroleum and petroleum products, tin and tin ore, coffee, tapioca, sago, pepper, kapok, cinchona bark and quinine, agave fibres, hides, skins, essential and vegetable oils, soja beans.

EXPORTED TO.

In order of importance: Holland, United States, British India, Great Britain, Germany, China, Japan.

INDUSTRIES.

Plantations (tropical cultures) on large estates under European management, supported by

European capital; also on small holdings by the native population. These plantations are the economic backbone of the Archipelago

ENTERING THE MARKET.

Through the local Import Houses, preferably those with Headquarters (Buying Offices) in Europe, who place indents with manufacturers for collective shipments.

Some of the Import Houses undertake to represent manufacturers on commission basis.

Department Stores, Bazaars, Hotels, Hospitals, Bookshops and others, frequently buy direct.

Some of the Import Houses have established Retail Departments, supplying the white as well as native population.

The direct trade with the Chinese traders requires a thorough knowledge of the individual dealers, as otherwise the risks are too great.

PUBLIC TENDERS.

These are invited by the State (Indische Regceering), the Municipalities, Port Authorities, Syndicates and Railway Companies (both State and privately owned). Tenders are generally solicited through the Colonial Ministry at the Hague.

In addition, there is the "I.C.A." (Indian Central Buying Authority) at Bandung, the "I C A." deals with smaller but urgent contracts for the Railway Companies (railway material,

bridges, roads, irrigation, army and navy supplies, mining, public building, educational supplies, etc.) Unless placed in Holland, the orders must be placed with Dutch East Indian firms, i.e. European manufacturers can secure "I.C.A." contracts through local import houses or representatives only. It is useless to apply to the "I.C.A." direct.

AGENTS.

Although applications come frequently to hand, it is advisable to make special enquiries for agents' names and addresses as and when required.

DIRECTORY.

The "Importers' Directory" of the Netherlands East Indies is very reliable, and a good basis for propaganda mailings.

RECOMMENDED BANKS.

De Nederlandsche Handels-Maatschappij, Batavia; De Ned. Indische Handelsbank, Batavia; De Ned. Indische Escómppt Maatschappij, Batavia; De Bank voor Indie, Batavia.

EXECUTING ORDERS.

Letters and printed matter in roman characters. In the trade with natives the use of pictorial descriptions is strongly recommended. Pictorial trade marks play an important rôle in the trade in the D.E.I. Natives buy goods with trade marks they know.

PRINTED MATTER.

Use the Dutch language, but only when it is thoroughly mastered, otherwise use English or German. The use of the written Malay with roman characters is increasing rapidly, and is already in use by many big native import houses.

Catalogues should be amply illustrated; they should contain the prices and terms in a very clear and concise form. Prices should be quoted in Guilders. Quotations in Sterling are disadvantageous, as calculation into Guilders is too complicated to the importer.

State weights and measurements of consignments and units in the metric system, as the English system is not favoured, and is considered disadvantageous by the importers.

PRICES AND TERMS OF PAYMENT.

Always quote c.i.f. D.E.I. ports. Avoid "ex factory" quotations; if c.i.f. quotations are not possible, quote at least f.o.b. Quote NETT prices always, unless the buyer is working on a commission basis.

When indents are placed through Head Office in Europe, payments are also made through these offices, and terms vary from 30 to 45 days according to object.

For direct shipments the following terms are in use:

- (a) Payment through bank, documents against acceptance. Credit 90 days.
- (b) Payment by buyer against documents on arrival
- (c) C.O.D for small (postal) consignments.

ADVERTISING.

There are several reliable advertising agencies at Batavia and Weltevreden. The many excellently produced dailies and periodicals carry a considerable amount of regular advertisements. Consistent, if possible, daily advertising and extensive use of pictorial "copy" is essential.

Some importers spend from 1,500 to 2,000 fl. monthly on this sort of advertising. Illustrated weeklies are much in favour, and are read by all classes of white and native population alike. Posters are used extensively, as pictorial advertising is the most effective in reaching the natives. Orders for poster advertising are accepted by the various Municipal Authorities. Advertising in Railways and Tramways is in the hands of Messrs. Kolff & Co., Batavia. Film advertising has proved exceptionally successful. Publicity films are shown in the following theatres:

Oost Java Bioskope, Batavia-Weltevreden.
Deca Park, Batavia-Weltevreden.
Orion Bioskope, Batavia, Glodok.
Pathe Cinema Theater, Soerabaja.
Pathe Cinema, Semarang.
Oriental Bioskope, Bandung.

Of course, the leading dailies, periodicals, and trade papers published in Holland are read regularly throughout the Dutch East Indies, particularly by the white population.

Full particulars and suggestions as to advertising and advertising media in the D.E.I. will be supplied upon request by our Service Bureau.

CUSTOMS TARIFF.

British goods enjoy most-favoured-nation treatment. The tariff ("Tariefwet voor de in en uitvoer") is divided into 113 alphabetically arranged groups, mostly ad valorem duties of between 6 and 12 per cent. Goods not mentioned in the tariff pay 6 per cent. duty. A general revision of the tariff law is now in course of preparation. The imposition of new duties is suggested on luxuries, as a compensation for an abatement in the case of commodities and necessities, deemed indispensable for the welfare of the people.

Exempt from duty are: Chloroform, sulphuric acid, casein, borax, barium chloride and copper sulphate, crude sulphur and sulphur pyrites, as well as other chemicals used in the process of extraction of vegetable substances, or for refining petroleum and its products, etc.

Duties are levied on the invoice amount. Items should be specified on invoice, together with weights and measurements.

COMMERCIAL TRAVELLERS.

It is useless to send out travellers who are not thoroughly acquainted with the country and its population. Only travellers who have resided for long periods in the D.E.I. can hope for successful business. The daily expenses amount to at least 30 guilders. Travellers' samples are exempt from duty; duty must be paid when entering the country, but will be refunded when samples are taken out of the country.

When landing, travellers have to pay a landing fee of 100 fl. at the port of arrival. If the traveller proves that he will stay only temporarily, or that he leaves within 6 months, this fee will be refunded by the port master at the port of departure.

STATUS ENQUIRIES.

Credit reports are supplied by the various Chambers of Commerce at Batavia, Semarang, Soerabaja, Medan, as well as by banks. There is also the Credit-Informatie-Agentuur Schimmelpfeng at Batavia. It is of vital importance to make enquiries about all new clients.

LEGAL ASPECTS.

The Courts are the "Gerechtschoof" and the "Hooge Gerechtschoof." Costs are very high and depend upon the size of the case. Foreigners not residing in the D.E.I. have to pay a treble advance into the Court before action is dealt with. The general advance asked by solicitors is 200 fl. Bankruptcies are published regularly by the Weeskamer in the official part of the "Javasche Courant," and several other papers. The language adopted in all legal proceedings is Dutch.

We can supply the names and addresses of lawyers and solicitors who will act on behalf of British firms, and who speak English.

PATENTS AND TRADE MARKS.

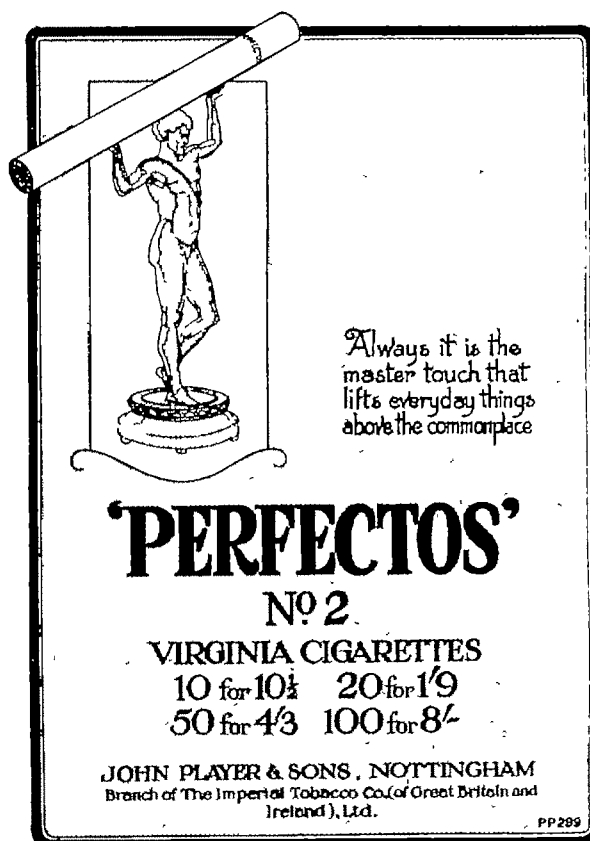
Must be registered with the Hulpbureau voor den Industrieelen Eigendom van Nederlandsch Indie," at Batavia. But European houses can also apply to the Octrooi Bureau, at the Hague. Registration of Trade Marks is granted for 20 years. The costs are about 30 fl. Patents are granted for 15 years.

GENERAL REMARKS.

The economic situation in the D.E.I. is steadily improving, and the demand for D.E. Indian products increasing, hence also promising signs for increased trade in European products.

The demand depends necessarily on the conditions of business in the plantation districts. These having been favourable, the natives spend freely. Firms that are represented locally benefit most, and it is, therefore, advisable to link up with reliable import houses who will distribute the manufacturer's products among both the white and the native population.

The manufacturer has to pay great attention to the three distinct consumer groups, whose buying habits, tastes and requirements must be very carefully studied: (a) Europeans, chiefly Dutch, but also British, German, and American officials, civil-servants, business men, plantation managers and overseers, engineers, etc. These live generally in comfortable circumstances, and are potential buyers of all European commodities, and articles of luxury. (b) Chinese, who are very strongly represented, and are, on the whole, fairly well off; indeed, among the Chinese are many extremely prosperous business men who consti-



Always it is the master touch that lifts everyday things above the commonplace

PERFECTOS
No. 2
VIRGINIA CIGARETTES

10 for 10½ 20 for 19
50 for 43 100 for 84

JOHN PLAYER & SONS, NOTTINGHAM
Branch of The Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

PP289

tute a consumer group with a high purchasing power. (c) Natives and Arabs; these are the representatives of the working class, plantation labourers, etc.

The Europeans are very effectively reached by the big dailies published both in Holland and in the D.E.I., and particularly by the illustrated family papers. The Dutchmen generally have their families out there, a point which should be remembered.

The Chinese have their own newspapers and periodicals, which should be used. The Chinese, although politically disinterested, have considerable national pride which should not be injured, as they already consider themselves neglected and at disadvantage.

The third group is the most difficult to reach. Most of the natives are illiterate. Here pictorial language must be chiefly employed. In addition personal selling is the most effective. Hitherto the Chinese dealers used to be the chief suppliers to this group, in the open markets, Chinese dealers used to visit all the plantation settlements and offer their wares. European manufacturers could secure a good share of this trade direct, if they employ intelligent and educated Javanese or Malays as travellers.

Of greatest importance to British manufacturers who wish to sell in the Dutch East Indies are the annual Fairs and Exhibitions: the Pasar Gambir at Weltevreden; the Jaarbeurs at Bandoeng, and the Jaarmarkt at Soerabaja.

These Fairs are visited by many thousands of Europeans and natives, because they are outstanding events of amusement and relaxation in the life in the tropics. In conjunction with these Fairs elaborate advertising schemes are carried out, mostly on pictorial lines. The more colour and the more vivid the colours of these pictorial advertisements, the greater the chance of success. British firms who are represented in the D.E.I. should insist on their goods being exhibited at the Annual Fairs and Exhibitions, and should pay a share towards the expenses, as it will easily be repaid.

IN CONCLUSION.

The Dutch East Indies are very promising fields for the sale of all kinds of British goods. But the market requires an exceptionally close preliminary study, as conditions differ vastly from other markets in the Far East. A manufacturer who realises this and has the market investigated and analysed for his own products before he attempts to sell in or even travel the market, will be repaid with success.

Our Research Department can compile individual reports at a negligible cost.

By Appointment to

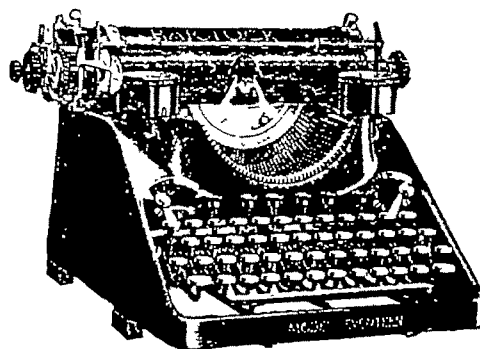


H M King George V

BAR-LOCK (1925) CO.

(Proprietors: JOHN JARDINE LTD.)

have pleasure in announcing that they have been honoured with the Royal Warrant of Appointment as Typewriter Manufacturers to H.M. King George V.



MODEL SEVENTEEN BAR-LOCK embodies all the latest improvements. Supplied to H.M. Stationery Office throughout the Empire and to the leading Banks, Insurance Companies and Industrial Concerns.

BAR-LOCK TYPEWRITERS are BRITISH-MADE

BRITISH CAPITAL, MATERIALS,
MANAGEMENT, LABOUR

**BAR-LOCK TYPEWRITER WORKS,
NOTTINGHAM.**

Telegrams: Bar-Lock, Nottingham 'Phone: 75141/2

London Agents

INSOLL & CO.,

42 SOUTHWARK ST., S.E. 1 'Phone. Hop 2033/4

Bristol Agents

INSOLL & CO.,

4 UNITY STREET 'Phone: 1517

IX.—SWITZERLAND.

COMPACT FACTS ABOUT THE MARKET. **Area:** 15,950 square miles **Population:** 3,917,800. **Languages:** 71 per cent German, 22 per cent. French, 6 per cent. Italian, 1 per cent. Romansch. **Principal Cities:** Berne (capital), 104,636; Zurich, 207,161; Basle, 135,976; Geneva, 135,059, Lausanne, Lucerne. **Monetary Unit:** 1 franc—100 centimes—9½d. nominal. **Weights and Measures:** Metric system throughout **Railway Mileage:** 3,750 miles. **Roads:** 9,000 miles, Government owned. **Water Power:** About 2,200,000 h.p. **Power Consumption:** Approx. 1,000 kilowatt-hours per capita per annum. **Motor Vehicles:** 40,000 motors, 10,000 lorries, 30,000 motor cycles. **Industries:** Silk spinning, weaving, cotton goods, linen, textile printing, lace making, watch making, jewellery, cheese making, dairying, chocolate making; tourists.

PRINCIPAL IMPORTS.

Corn and flour, coal, raw silk, cotton and woollen goods, raw cotton, sugar, pig iron, chemicals, meat and meat products, wine, raw wool, vehicles, machinery.

IMPORTED FROM.

In order of importance: Germany, France, Italy, Great Britain, United States, Canada, Belgium, Czechoslovakia.

PRINCIPAL EXPORTS.

Cotton goods, watches, silk goods, laces, embroidery, machinery, cheese, precious metals, jewellery, woollen goods, instruments, condensed milk, chocolate.

EXPORTED TO.

In order of importance: Great Britain, Germany, France, United States, Italy, Austria.

ENTERING THE MARKET.

The manufacturer who wishes to do successful business in Switzerland is expected to operate very intensively locally. Swiss importers and consumers preferably buy direct from the foreign producers, or their representatives or travellers calling upon them in Switzerland. Mailing lists should be very carefully drawn up.

DIRECTORIES.

(1) The "Ragionenbuch," in which all registered companies and details about them are published annually; (2) The Swiss Export Directory; (3) The Swiss Export Year Book; (4) The Swiss Commercial and Industrial Directory.

Mailing lists are prepared by several Postal Publicity Companies, whose names and addresses we will supply upon request.

FINDING AN AGENT.

Many manufacturers have been successful in finding reliable agents through advertisements

in the large Swiss dailies. Agents of repute and with good connections expect the manufacturer to pay a share towards working expenses and publicity. They also generally have consignment stocks of the manufacturer's goods. It is, of course, essential to make enquiries about the prospective agent before making a definite arrangement with him. The Swiss commercial agents' association is always ready to help in this respect.

DELIVERY OF ORDERS.

Punctuality must be the keynote of the manufacturer's business methods. Quality is the essential selling point; elaborate make-up of outers is not essential, but goods should be well packed and attractively presented.

PRINTED MATTER.

The data given in the first section of this compact survey show that the German language is predominant in Switzerland. It is used throughout Switzerland, with exception of the districts of Waadt, Neuchâtel, and Geneva, where French is spoken. For commodities for daily use it is advisable to print labels, directions of use, etc., in German, French, as well as Italian.

PRICES AND TERMS.

The usual terms of payment are, with reliable firms: Payment at the end of the month following date of invoice.

ADVERTISING.

Sales possibilities depend largely on the tourist traffic and activities in the building and watch making trades. In view of the restricted territory competition is extremely keen. Cost of living and overhead expenses are comparatively high.

The Swiss population is not inclined to live a luxurious life. There are few large cities with their attractions. The potential buyers (consumers) are the visitors to the holiday resorts,

health and sport resorts. The press is used extensively to reach these consumers. There are also many family and sports papers, illustrated weeklies with comparatively large circulations.

There are approximately 400 newspapers and periodicals published in Switzerland to-day. The advertisement pages of most of the bigger papers are let to big advertisement (space buying) agencies, such as Publicitas, at Geneva, Orrell Fussli, at Zurich, Rudolf Mosse, at Zurich; and Schweizer Annoncen Expedition, at Lausanne.

In order to obtain favourable discounts, advertisers frequently contract for so many advertisements, "to be taken within one year." Rates vary considerably with the different papers, and the price of an advertisement should not be the decisive factor.

Our Service Department can supply details of Swiss newspapers and periodicals with their respective circulation figures.

Extensive use is made of publicity films. There is a special advertising agency for placing these in the various theatres. Rates vary. The Orient-Theatre at Zurich charges 45 Fr. per month per lantern slide; the Bellevue-Theatre charges 100 Fr.; 60 m. long publicity films are shown at most theatres; the Orient-Cinema charges 90 Fr. per reel per week.

The use of Illuminated Advertisements is increasing in the large cities, and there are two agencies which place this particular type of publicity.

Outdoor publicity is gaining favour, on hoardings, pillars, as well as trams and railway stations.

Swiss outdoor publicity is renowned for its artistic arrangement and display. Sizes and other details of posters must conform with certain regulations. Posters must not clash with their surroundings; one hoarding must not carry too many different bills; there is a certain censorship exercised over outdoor publicity in Switzerland, which has contributed to raise the standard of outdoor advertising considerably.

Foreign firms advertise extensively at the various Railway Stations. There are altogether 954 stations for which posters are accepted: 633 in the German speaking area, 290 in the French speaking area, and 31 in the Italian speaking districts. Considering the busy railway traffic throughout Switzerland, this form of advertising is very effective in national distribution efforts.

CUSTOMS TARIFF.

There are 1,164 classifications, mostly specific duties, levied mainly on the net weight of imported goods. A new general strongly protectionist tariff is in preparation.

Goods sent in transit through Switzerland are exempt from duty.

COMMERCIAL TRAVELLERS.

A green identity card must be applied for; it is supplied without cost, by the Chancery of the first city the traveller visits for business purposes. If orders are solicited from actual consumers, a red card is necessary; this costs 150 Fr. per annum. Travellers' samples are exempt from duty if they are taken out of the country within a certain period fixed at entry.

LEGAL ASPECTS.

The laws on the subject of execution of Foreign Judgments are cantonal, i.e., regulated by the special procedure of each of the 22 Cantons of the Helvetic Confederation.

As a rule judgments pronounced outside a Canton cannot be executed therein, unless they have received the "exequatur" from the Court in the presence of the parties, or after the latter have been duly summoned.

It seems that the courts usually receive Foreign Judgments regularly rendered as "res judicata," but without abandoning in the least their right to examine the merits of the case, should they think fit to do so, nor does it seem that the question of reciprocity would weigh against this right.

Nor does there seem, as between Great Britain and Switzerland, anything in the text of the Treaty of 6th Sept., 1855, which obliges the Cantonal Courts to enforce an English judgment without looking into the merits of the case.

Lawyers generally ask for an advance of fee, varying between 30 and 50 Fr. The commission retainable on collected debts is 5%.

PATENTS AND TRADE MARKS.

Patents are granted for 15 years from the date of application to the inventor, or his assignee, subject to annual payments of 20 Fr. for the first year, increasing by 10 Fr. for each subsequent year. Application costs 20 Fr.

Except in cases falling within the International Convention the patent must be new. All patented articles should be marked with the Federal Cross, followed by the number of the patent.

The patent is voidable if the patentee refuses to grant licences on reasonable terms, or if the invention is not worked within three years from the date of the Patent.

Trade marks are registered for a period of 20 years. The registration fee is 20 Fr.

GENERAL HINTS.

The success of British manufacturers in the Swiss market depends chiefly on the quotation

of competitive prices and the suitability of the goods for local consumption. The manufacturer will have to be very active locally; he must adapt his goods to local requirements and taste. Quotations should be f.o.r. duty paid, in Swiss francs. The manufacturer should see that his goods are available locally from stock, as Swiss retailers are not keen on stocking foreign products; they expect to be able to obtain supplies from consignment stocks at Zurich or Berne. Correspondence, catalogues, printed matter, etc., should be in the languages indicated above. Weights and measurements in the metric system.

It is advisable to appoint separate agents for the German, French and Italian speaking areas; they require different attention, as customs and habits in these districts differ vastly.

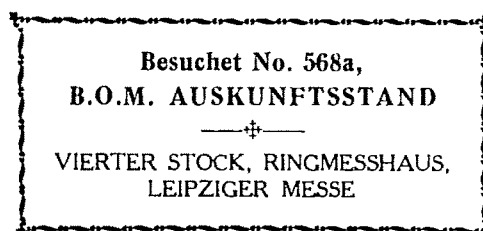
Where no agents have been appointed, British

manufacturers should make it a point to send out travellers regularly twice every year. These travellers must be well acquainted with the country, the people and the three languages.

If you have agents, a principal of your firm should visit them at least once a year. The agents should be supported in every respect with advertising and other methods.

British tourists and pleasure seekers are spending vast amounts every year in Switzerland. The public attitude towards English people and English goods is very favourable, and every effort should, therefore, be made to secure a share in the Swiss business.

There are also the Annual Trade Fairs at Basle and Lausanne which the British manufacturer should not neglect, as they offer exceptionally advantageous openings for business.



ENQUIRIES FOR GOODS AND AGENCIES.

(Continued from page 316)

- (591) **Turkey.**—Textile goods, yarns, woollen and cotton made up goods, hose and half-hose; agencies wanted. Corres. French.
- (592) **Peru.**—Agencies wanted of perfumeries, pharmaceutical specialties, and all other goods sold by chemists, druggists, pharmacists. Corres. Spanish.
- (593) **Straits Settlements.**—Importers of fancy goods, perfumeries, soaps, leather goods, boot and shoe makers' articles, leathers, electro-technical articles. Working as agents on a commission basis.
- (594) **Straits Settlements.**—Seek connection with manufacturers of raincoats, fancy goods, hosiery, textiles.
- (595) **Italy.**—Agencies wanted of linen, handkerchiefs, hosiery, half-hose, shawls, knitted wear, embroidery accessories, such as needles, yarns, etc. Corres. Italian or French.
- (596) **Nigeria.**—Require constantly all electro-technical articles and apparatus, fittings, etc. Payment against shipping documents.
- (597) **Belgium.**—A company well introduced in the Belgian mining districts, seeks sole-agencies of manufacturers of ventilators, compressors, compressed air tools, mining apparatus and equipment. Corres. French.
- (598) **Dutch East Indies.**—Textile goods, knitted wear, cotton and woollen made up goods, etc., imported regularly.

(b) British Firms seeking Foreign Connections.

Enquiries under this heading are anxiously looked for and eagerly followed up by importers and agents in all countries of the world. British manufacturers and exporters who are open to make arrangements for the sale and distribution of their products in foreign and overseas markets, as well as British firms seeking agencies of foreign articles, are invited to communicate with us; their requirements will be published here, and answers will be forwarded to them.

Wire and Hemp Ropes.

- (598a) Well-known British manufacturer is open to appoint agents in Dutch East Indies, Cuba, Uruguay, Argentina, and also in certain parts of Australia.

(c) Foreign Manufacturers seeking Agents in Great Britain.

- (599) Stationery, School Requisites.—Austrian manufacturer seeks reliable representative.
- (600) Glass Beads, Beaded Mats.—Bavarian manufacturer requires active agents.
- (601) Toys.—Nuremberg manufacturers seek connection with trade buyers.
- (602) Electro-technical Material.—German house wishes to appoint agents.

ENQUIRIES FOR GOODS AND AGENCIES.

The Enquiries listed below represent actual requests received for the goods mentioned. They are genuine openings for more business to those who manufacture or market what is required.

Subscribers are entitled to the names and addresses of six of these enquiries, if they indicate the reference numbers, and enclose reply postage with their request. Additional names will be supplied upon payment of 1/- per enquiry. Non-subscribers pay 2/6 per enquiry.

Your own offers of goods or services may be inserted on this page free of charge. Send for Service Form.

(a) Foreign Importers or Agents seeking British Goods or Agencies.

- (553) **North Africa.**—Want to import razors, safety razors in nickel cases, tobacco jars, job lines in enamel ware, earthenware, cheap stationery, novelties. Payment against documents through Tripoli bank. Prices to be quoted c.i.f., inclusive of agents' commission. Corres. French.
- (554) **Egypt.**—Egyptian firm with offices at Cairo, Port Said and Suez, seek connection with manufacturers of pharmaceutical specialties, toilet articles, perfumery, essences, etc. Corres. French.
- (555) **Argentina.**—Interested in floor-cloths, steel shavings, steel sponges. Corres. Spanish.
- (556) **Bulgaria.**—Wish to buy asbestos, pump and steam packings, leather belting, balata and camel hair belting, pumps, water piping and fittings, crude oil motors, wood working and textile machinery, agricultural machinery and implements.
- (557) **Chile.**—Anxious to represent wallpaper manufacturers.
- (558) **China.**—Interested in artificial silk and woollen yarns, white and grey cotton shirtings, blankets, cotton underwear.
- (559) **Finland.**—Wish to represent manufacturers of metal goods, tinned pails, hurricane lanterns, wire nails, cement, etc.
- (560) **Finland.**—Open to buy advertising novelties.
- (561) **Guiana.**—Anxious to import perfumeries, essential oils and essences, photographic articles.
- (562) **Holland.**—Seek agencies of machinery and hardware.
- (563) **Holland.**—Interested in woodworking machinery, bicycles and accessories, motor car and motor cycle accessories and equipment. Export also to the Straits Settlements.
- (564) **India.**—Anxious to buy textiles, cotton, woollen and mixed goods, artificial silk goods, knitted wear, embroidery, lace, blankets.
- (565) **India.**—Electric novelties, hardware, photographic goods wanted.
- (566) **India.**—Interested in hat felt, hosiery, half-hose, knitted wear, leather goods.
- (567) **India.**—Seek to buy fancy goods, stationery, fountain pens, pencils, drawing books for children, etc.
- (568) **Canada.**—Anxious to import chromolithographic pictures for making calendars, stationery novelties, advertising novelties.
- (569) **Colombia.**—Seek to buy stationery and stationery novelties, pencils, penholders, fountain pens, books, etc. Corres. Spanish.
- (570) **Norway.**—In the market for shoe lasts, shoe laces and other shoe makers' accessories, shoe polishing cloths, etc., and other articles, sold in boot and shoe shops.
- (571) **Norway.**—Open to represent manufacturers of textile goods, shirtings, pullovers, knitted wear, hosiery, half-hose, etc.
- (572) **Poland.**—Wire and other ropes wanted.
- (573) **Salvador.**—Wish to represent manufacturers of paper, cardboard, cardboard boxes, stationery, printing and bookbinding equipment. Send gross prices, giving details of discounts, commission, terms. Corres. Spanish.
- (574) **Sweden.**—Machinery, steel presses and steel cutting machines, perforating presses, etc., wanted.
- (575) **Sweden.**—Anxious to buy naphthaline.
- (576) **Spain.**—Looking for earthenware, glass and china ware agencies. Corres. Spanish.
- (577) **Spain.**—Wish to represent manufacturers of fancy goods, stationery articles, smokers' requisites, etc. Corres. Spanish.
- (578) **U.S.A.**—Advertising novelties wanted.
- (579) **U.S.A.**—Advertising novelties, stationery, leather goods, toys. Agencies wanted.
- (580) **Alger.**—Interested in toys.
- (581) **Australia.**—Interested in fashion articles, household linen.
- (582) **Belgium.**—Enquiring for toys. Corres. French.
- (583) **Jamaica.**—Musical instruments, violins, saxophones, string instruments and others, agencies wanted.
- (584) **Canada.**—Knitted shawls and woollen caps for ladies and children.
- (585) **Norway.**—Seek connection with manufacturers of motor car accessories and equipment.
- (586) **Austria.**—Wish to represent manufacturers of patent leather, fancy leathers.
- (587) **Uruguay.**—Interested in glassware, surgical articles, sterilizers, etc.
- (588) **U.S.A.**—Interested in knitted wear, woollen and cotton goods.
- (589) **U.S.A.**—Interested in billiards and billiard cues.
- (590) **French Colonies.**—Wish to buy on commission basis, for shipment to French Colonies, payment in France, enamel goods, chinaware and glassware, hardware, ironmongery, textile goods. Corres. French.

INTERNATIONAL MARKETING HINTS.

TRADE WITH POLAND.

Many British houses do business quite successfully in several Continental countries, without local agents, and yet find it difficult and almost impossible to do so in Poland. Our Poznan and Lwow correspondents emphasise that a local representative is indispensable to English manufacturers who wish to extend their trade with Poland. Although requests for agencies of English houses are frequently forthcoming, there is but a limited number of really reliable manufacturers' agents, and it is advisable to seek introduction to trustworthy agents through one of the Polish commercial or agents' associations. Several of these have been established during the last few years, at Poznan, Cieszyn, Katowice, and Lwow. They are prepared to put English manufacturers in touch with reliable buyers and agents, and to give information about firms with whom manufacturers wish to do business. The names and addresses of these organisations will be communicated upon receipt of the appropriate fee.

AN INTERNATIONAL ASSOCIATION OF MANUFACTURERS' AGENTS.

A resolution to form an International Association of Manufacturers' Agents was passed unanimously at the Convention of Manufacturers' Agents' Association, held at Amsterdam, in October last. Mynheer Ph. J. Lezer, of Amsterdam, has been appointed Secretary to this International Association, about whose aims, objects and services we shall report more fully, as soon as the official program has been prepared. The need for an Association, through whose services manufacturers could be placed in touch with reliable agents and representatives in all countries, has long been felt, and it is hoped that this new International Association will meet the urgent demands in this direction.

BUSINESS IN THE STRAITS OF SETTLEMENTS.

The I.E.S.-Singapore Delegate reports that business conditions are improving visibly in the Straits. Orders placed with German and Dutch houses are considerable. There are many large

import houses with buying offices at Hamburg or Amsterdam, although quite a number of them place regular indents with London and Manchester shippers. In addition there are several big European houses who have their own distributing offices at Singapore. The participation of British manufacturers in the local business seems to be overshadowed by that of foreign competitors. This market deserves intensive and individual treatment, and any manufacturer operating there systematically would soon build up regular trade. Several Singapore enquiries are published in this month's enquiry section. They are worth following up.

TEXTILE GOODS FOR ABYSSINIA.

Requests for contact service, from Adis-Ababa, seem to indicate an increasing demand for all classes of textile goods, woollen, cotton and art silk made-up goods, knitted wear, scarves, shawls, coloured and printed cloths, etc. Orders are not for large quantities, but they are regular.

GOOD PROSPECTS IN TURKEY.

We have frequently published reports of business opportunities in Turkey. On the whole British manufacturers have had little success in that market which is, as we often pointed out, chiefly due to the fact that French, Italian and German manufacturers are devoting greater attention to Turkey, where they have competent agents assisted by the manufacturers' technical experts; in addition, they make extensive use of the Turkish advertising media the quality of which has considerably improved during recent years.

The "Annuaire Oriental—Oriental Directory" for instance contains a great number of pages of German, French Czecho-Slovak and Italian advertisements, against one English announcement. The various Continental advertisers inform us that their advertisements in this Directory have produced large numbers of enquiries, many of which ultimately turned into actual business.

Turkey to-day is a promising market for technical articles, machinery of all kinds, hardware, technical novelties, building and construction material, sanitary equipment, etc.

Several Turkish municipalities forecast considerable developments in housing, water supply and sanitary equipment schemes. Djarbekir is to have a new water supply station. Ajdin is soliciting tenders for the construction of a new water pumping plant, capable of supplying 30 litres of water per second; pumps, motors, piping and a 100 c.m. reservoir will be required. An electric lighting and power plant has also been projected for Djarbekir. Similar and other more important schemes are in preparation for Angora, the new capital. British manufacturers are advised to get in touch with their Turkish agents or local contractors at an early date, as the details of the schemes are to be published shortly.

A BUYING ORGANISATION FOR AMERICAN HOTELS.

"Hotel Equipment Buyers of America Inc.," is the name of a new company formed at New York, for the purpose of acting as buyers to the hotel equipment and supplies manufacturers. This company will work on practically the same lines as the large buying agencies of the American department and chain stores. In addition Hotel Equipment Buyers Inc. has a staff of experts to give advice and submit plans for the complete equipment of modern hotels, from the cellar to the roof. These advisory services will not only include counsel upon the purchase of chinaware and cutlery, but also complete kitchen equipment, wallpapers, curtaining, furniture. We understand that American manufacturers of hotel equipment and supplies are very anxious to deal with this new company.

MOTOR CAR EXHIBITIONS IN 1928.

The Permanent Bureau, at its meeting on November 15th 1927 in London, has fixed the dates for the International Automobile Exhibitions for the year 1928 as follows:—in Germany, the exhibitions at Leipzig from the 4th-14th March (for motor-vans only); at Berlin from 8th-18th November, in Austria, at Vienna at the beginning of March; furthermore at New York from 7th-15th January, and a fortnight later at Chicago, at Amsterdam from 21st-29th January in February at Cairo; at Copenhagen from 23rd February-4th March; at Geneva from 16th-25th March; at Agram March and April; at Barcelona April-May; at Prague in September, at Paris October 4th-14th; London 11th-20th October; at Brussels 8th-19th December. Another exhibition is to be held at Milan, but the date has not yet been fixed. It is hoped that British motor cars, which have made history in 1927, will be represented at all these exhibitions.

BRITISH MALAYA—RUBBER EXPORTS.

An official cablegram from Singapore states that the amount of rubber exported from British Malaya during the month of December 1927 totalled 32,185 tons.

The amount of rubber imported was 17,865 tons, of which 13,809 tons were declared as wet rubber. The following are comparative statistics.

	1928		1927	
	Gross Exports tons	Foreign Imports tons	Gross Exports tons	Foreign Imports tons
January	30,452	10,237	34,946	14,995
February	30,440	8,306	27,528	11,697
March	35,012	14,800	41,346	17,462
April	23,727	10,565	29,041	13,069
May	31,231	10,604	31,393	15,491
June	30,624	11,764	32,607	14,706
July	28,824	15,280	23,947	12,697
August	34,625	13,595	30,371	17,105
September	35,913	13,972	29,835	12,095
October	39,367	15,203	29,846	15,801
November	34,302	12,201	28,277	19,860
December	36,811	14,716	32,185	17,865
	391,328	151,243	371,322	185,843

These figures represent the totals compiled from declarations received up to the last day of the month for export and import to all ports of British Malaya, and not necessarily the actual quantity shipped or landed during that month.

Destination of shipments:

	Nov 1927 tons	Dec 1927 tons
United Kingdom	6,091	4,481
United States	17,200	24,112
Continent of Europe	1,648	1,198
British Possessions	876	775
Japan	2,448	1,605
Other Countries	11	11
	28,277	32,185

WIRELESS AT SHANGHAI.

With the development of broadcasting the Chinese and foreign population of the International Settlement and of the French Concessions have shown an increasing interest in wireless, and a growing number of receiving sets is being installed in many houses.

The actual number of receiving sets in use in Shanghai is not known, but it is estimated at 10,000. There are 15 wireless equipment importers, and 25 retailers. The sets are imported complete as well as in components. Prices range from \$4 to \$1,500.

Shanghai has three broadcasting stations, the Kellogg Switchboard & Supply Co., the Kobe Electric Works, and the Shanghai Mainichi Shimbuncha. The Kellogg Station is said to command a wavelength of 342 metres, and a tension of 250 watt; similar details are reported of the other two stations. American equipment seems to command the market, followed by equipment and accessories from Germany and France; British valves are in good demand, and un-

doubtedly good business could also be obtained for component parts, as well as complete sets, loud speakers, earphones, and a multitude of other gadgets required by the wireless enthusiast.

THE TRACTOR IN RUSSIAN AGRICULTURE.

The tractor is promised a great future in the Soviet Union. On the one hand, because machinery is recognised not only as a means of furthering agriculture, but also as a means of improving Russia's entire economic position. On the other hand, because the number of horses has been reduced during the years of the war and revolution, to such an extent that merchandised traction has become a necessity.

Tractors for agricultural purposes were first imported into Russia in large numbers in 1922/23. At that time tractors were not constructed in Russia, and tractor works are still in their infancy to-day. The number of tractors imported into Russia for agricultural purposes may be seen from the following table:

	Imported	Built in Russia	Total No. of tractors
1921-22	60	—	60
1922-23	1,000	—	1,000
1923-24	1,500	—	1,500
1924-25	6,208	457	6,665
1925-26	12,368	752	13,100
1926-27	5,020	1,025	6,045

Total for 1921-27 26,156 2,214 28,370

From 1921-1924 tractors were exclusively of foreign origin. Home production amounted to 6.9% for 1924-25, 5.6% for 1925-26, and to 17% for 1926-27.

Imports dropped to 6,045 for 1926-27, which, according to the "Sowjetskaja Torgowlja," was due to exchange considerations. It has been estimated by Russian agricultural authorities that by 1930 from 40 to 50 thousand tractors will be in use for agricultural purposes in Russia.

We do not know to what extent British tractor manufacturers will participate in this increasing Russian tractor business, but our Russian correspondent informs us that German works are busily engaged in securing contracts, and that British tractors would be bought too if the manufacturers took the necessary steps to secure orders. The report concludes with an intimation as to a great demand for other agricultural machinery, which is to follow this demand for tractors.

A FASHION PROPHET FOR BRITISH SHOE MANUFACTURERS.

According to a report forwarded by the National Association of Shoe Retailers to wholesale and retail organisations interested in knowing what shoes women are likely to favour, a footwear fashions forecaster is urgently required.

The forecaster would have to pick up advance information on fashions on the Continent, where styles to a large extent originate, and by ascertaining the trend of fashion in dress he would be able to give light leather merchants, dyers, shoe manufacturers a shrewd idea of what is likely to be popular. The move follows the heavy losses suffered in the shoe trade by the production of hundreds of different styles and colours which do not take women's fancy, and which, therefore, become "shelf-warmers."

We can give those interested in shoe fashion forecasting a very valuable tip. We know of an organisation in Paris, which issues quarterly the "Album de la Chaussure Parisienne," an album in which coming fashions in women's, men's and children's shoes are forecasted from 3 to 9 months in advance. The fashion forecasts are printed in English, French, Spanish and German, and are supplemented by original designs in colours, as well as patterns. This Album commands such a success among leather merchants, dyers and shoe manufacturers on the Continent as well as in North and South America that we think it is the thing British shoe manufacturers are looking for. Further details will be communicated upon request.

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Service! A competent mechanic will attend once a month, to clean, oil and adjust your typewriters for a year.

At an hour's notice you may have any necessary adjustment made without additional cost during the twelve months.

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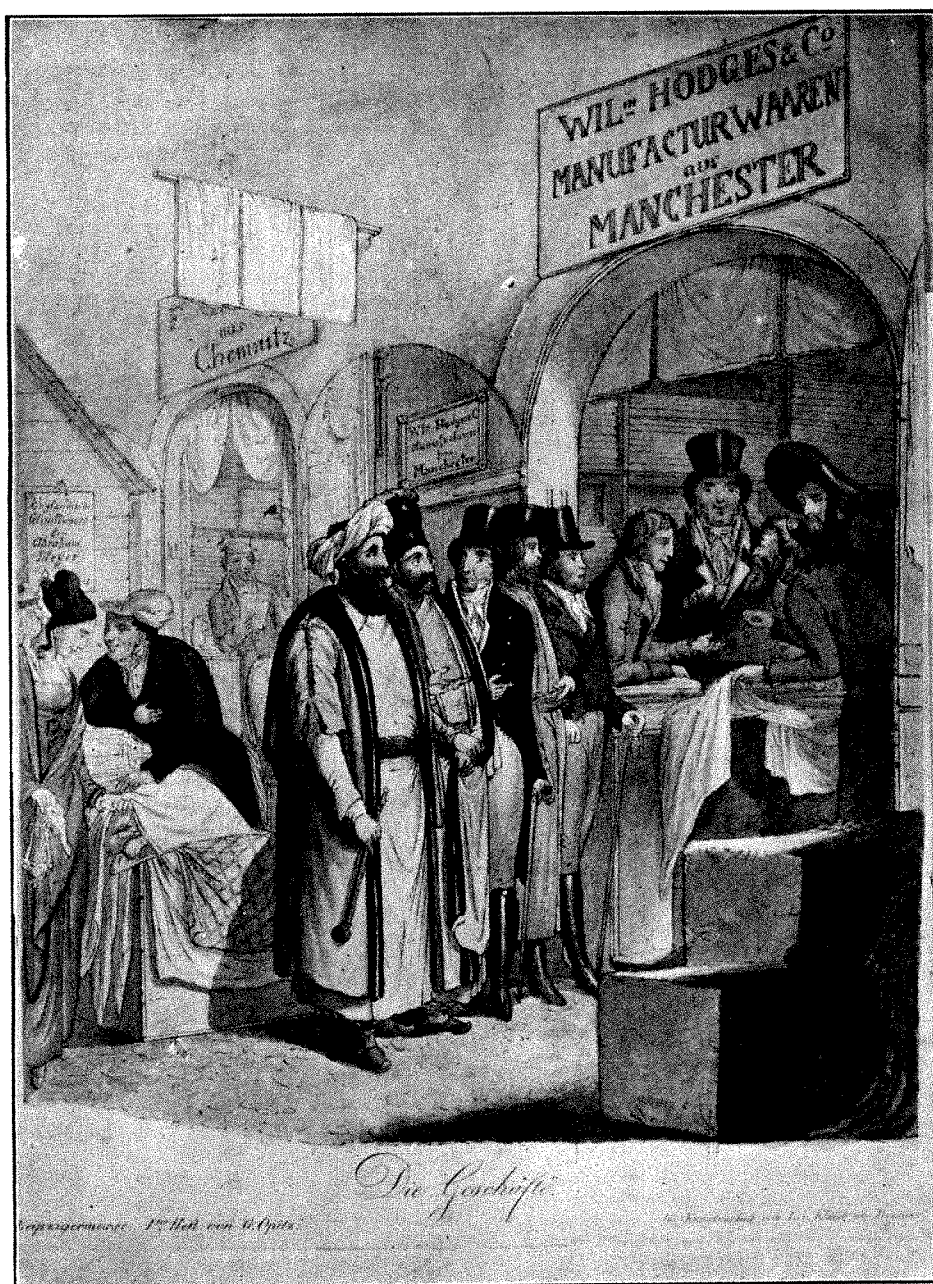
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British Enterprise at Leipzig in 1820.

THE LEIPZIG INTERNATIONAL INDUSTRIES AND SAMPLE FAIR.

This year's Leipzig Spring Fair takes place from March 4th to March 10th. In view of its great importance to British Trade, the following section has been made a GUIDE TO BRITISH EXHIBITORS AND FAIR VISITORS.

By C. W. FRERK.

SOME INTERESTING HISTORICAL NOTES.

IN a memorandum issued by the Leipzig City Council, in the year 1640, which was directed against the levy of a tax on foreign goods in Saxony, which it had been suggested to impose, special mention is made of English cloths, in which regular trade was done at the Fair. At that time, England was also a large buyer of brass and hardware, and of so-called penny articles, smallware, etc.

A report made in 1729 states that the demand for English cloths at the Fair had not been as brisk as usual, and that English merchants had not been very keen on buying fancy goods.

In the years 1738 and 1743 two reports were made by the Leipzig Merchants, on the situation of trade with England; translations of these reports are printed in following paragraphs.

Then in 1763, Leipzig Merchants prepared a comprehensive memorandum on the trade of the City of Leipzig with Russia, Austria, England, and France. Their report on business with England is particularly interesting; it gives the following details:

"There is no doubt that business with England has been the best which Saxony has ever known. London Commission Agents and Manufacturers, as well as those of Norwich, Tiverton, Exeter and Bristol can produce ample evidence of this. It can be asserted that, before the present war, Leipzig consumed and distributed three-quarters of all imports into Germany. Even now Leipzig's imports from England amount to 4½ million florins, if not more, the chief items imported being:—Woollen and camel hair plushes, half-silk, silk, woollen and cotton fabrics from London, Norwich, Tiverton, Leeds, Exeter, Halifax, and other industrial centres; furthermore, East and West Indian produce, such as drugs, dye-wood, indigo, cochineal, sugar, coffee, rice, alum, vitriol, ginger, pepper, varnish, tin, as well as manufactures of steel and other metal produced in London, Chester, Falmouth, Bristol, and Liverpool. The records of the local excise-revenue office show that many thousands of hundredweights of English goods arrive at Leipzig every year."

To what extent the entire Fair business was dependent upon the situation in England, is shown by the Michaelmas Fair 1799. The news from London, reporting a number of larger and smaller business failures, had a detrimental effect on business at Leipzig. The Bills on London with which Russian and Polish buyers used to pay, depreciated in value; this caused an interruption of business with Russia, Poland and Turkey. On the other hand, the news of the conclusion of the peace treaty between England and France brought a considerable revival of trade at the Michaelmas Fair in 1801. The unexpected news caused an immediate improvement of the London rate of exchange, and a change of prices for English cotton goods.

Imports of English manufactures increased steadily during the first years of the nineteenth century. Indeed, at the Michaelmas Fair of 1804, it was thought that the whole of the English trade with Germany and Central and Southern European countries would be concentrated at Leipzig. Frankfort's trade with England ceased almost completely, on account of the proximity of that City to the French frontier.

However, Leipzig had to face difficult times, as a result of the war between England and France; the Continental System affected the Leipzig Fair business very seriously. The New Year's Fair of 1807 attracted so small a number of visitors that it could hardly be called a Fair. Complete rows of Exhibition Buildings remained closed; subsequent Fairs also suffered by this depression. So many regulations issued by the French, who occupied Leipzig, were directed against the English, whose merchandise was usually confiscated.

The end of the European war chaos, in 1815, brought at last a marked revival of the trade with England. In fact, the report on the Easter Fair of the year 1825 states plainly that the revival of the Fair Trade was due mainly to the increased participation of England and America

The following figures, indicating the number of Englishmen who visited the Leipzig Fairs, in those early days, should prove rather interesting. They were compiled from the records made at the City gates of Leipzig.

The Easter and Michaelmas Fairs were visited

in 1748 by 6 Englishmen
in 1752 by 5 "
in 1780 by 12 "
in 1790 by 60 "

The New Year's, Easter and Michaelmas Fairs were visited

in 1800 by 148 Englishmen
in 1815 by 158 "
in 1820 by 72 "
in 1834 by 131 "

TWO HISTORIC MEMORANDA.

I.—MEMORANDUM OF THE LEIPZIG MERCHANTS' GUILD ON TRADE WITH ENGLAND.—1738

The Merchants of this City are requested to make public their views on the following points.

- (1) What goods are sent to this country from England?

REPLY: There is a great variety of goods, some manufactured in England, others coming from her Colonies in East and West India: Cloths, Drugs, Chemicals, Flannels, Hats, Socks, Leathers, Cochineal, Indigo, Alum and other chemicals, dye-stuffs and apothecaries, spice, coffee, cheese, tin; also jute and linen, mirrors, glasses, silver and steel small and fancy wares, such as time-pieces, tobacco jars, cases and boxes, sabres, sticks, buttons, scissors, mathematical and surgical instruments, etc.

- (2) Which of these goods can we do without, and which not?

REPLY: Where there shall be Free Trade, nothing can really be done without, unless there be disadvantages to such trade; so it matters not that perchance the one or the other class of goods is in greater or smaller request here in Saxony.

- (3) Whether such goods cannot be obtained, if not cheaper, so at least at the same price in Holland, or other places?

REPLY: Were such goods produced in Holland or other places cheaper or at similar prices, they would naturally be bought there, such places being nearer to Leipzig. But as it is, such goods as are brought here from England, are found to be better, and oftentimes also cheaper than in Holland.

- (4) What sort of linen is manufactured in Scotland and Ireland?

REPLY: It is known that in Scotland and Ireland all classes of linen are made, raw and bleached, and especially sail-cloths of very good quality; but these factories must pay a certain percentage on all goods going abroad. As regards this Irish duty, its abolition has been rejected by the Parliament.

- (5) Can we secure the linen trade with Spain?

REPLY: Trade has been done with Spain for some time, and is still being done. It would, however, be of great advantage if cotton goods could be imported into that country such goods being non-contraband goods.

Registered this 27th day of August A.D. 1738

II.—MEMORANDUM OF THE MERCHANTS' GUILD OF LEIPZIG ON THE TRADE WITH ENGLAND.

—1743

Questionnaire:

- (1) What English goods have been imported into Leipzig and have been sold there? Also, what is the yearly quantity or value of such goods?

REPLY: There is no class of goods produced in English factories that is not imported and sold here in quantities, whether they be cloths, woollen or cotton fabrics, leather, fancy goods, steel goods, chemicals, etc. Added thereto must be the annual quantities of goods consumed, but brought and sold here by other outlandish sellers, thereby increasing the total many times.

- (2) Is the trade in these goods increasing or decreasing, especially where woollen manufactures are concerned?

REPLY: There is no doubt whatever that the trade in these goods has surpassed the trade of former years, and that it is certainly tending to increase rather than to decrease.

- (3) What duties or excises are paid on these English goods, both in Saxony and in transit? Has there been any change during the last 20 or 30 years?

REPLY: These goods pay no duty or excise when in transit to Leipzig, but 1 per cent. is levied in Leipzig, and this is so unto this day.

- (4) Are most of these goods consumed within Saxony, or are they sent elsewhere, and if so, where to?

REPLY: Many of these goods certainly remain in Saxony and are consumed here. But it cannot be denied that in view of our city being a trading centre, holding several Fairs every year, considerable quantities of such goods are sold to places outside Saxony.

Deputies of the Guild of Merchants and Master-Merchants of the Merchants' Company.

Little comment needs to be added to these data. The history of the Leipzig Fair begins in the early part of the twelfth century, and English goods as well as English visitors have, from its earliest beginnings, taken a very important place in the business transacted at the various Leipzig Fairs. The data and reports also testify to the

universal as well as international character of the Fair, as "merchandise from England and many other outlandish places was brought to Leipzig for sale, and consumption not only within Saxony, but also in other countries."

And history repeats itself to-day. The participation of English manufacturers and buyers in business transactions during the annual Spring and Autumn Fairs at Leipzig is steadily growing. British business men realise the importance of Leipzig as an International Market and Rendezvous of Buyers and Sellers. One of the results of the last war has been, happily, to make Great Britain more of a part of Europe than she was before. Thus being engaged and involved in European affairs, England is bound to derive economic benefits from an increased participation in the Leipzig International Fairs, where British goods are asked for and bought in growing quantities, where, in fact, the demand for British goods exceeds the supply offered by the as yet limited number of British exhibitors.

THE IMPORTANCE OF THE SPRING FAIR.

The Leipzig Spring Fair will be a demonstration of all the latest achievements in industry and commerce. It will include the exhibits from many countries other than Germany, so that the newest supplies of all kinds from all parts of the world may be seen in interesting contrast.

All countries are invited to exhibit their products on equal terms, thus making the Leipzig Fair a great International Exhibition. Anyone visiting this Fair can thus study all the latest developments along these lines quickly and conveniently, saving the time and expense which would otherwise be involved in visiting many widely scattered markets.

The Spring Fair offers a unique opportunity for the manufacturers of all kinds of products to enter world-markets. More than 200,000 buyers will be attracted this year from forty-four and more different countries. No one is admitted except by invitation, thus eliminating the casual sightseer, and facilitating the transaction of business on a large scale. An efficient system of foreign buyers has been established, making it possible to carry on business from a distance. The banking facilities are so organised that visiting buyers can enjoy the same facilities they would find in their home towns.

The Leipzig Fair is held twice annually for periods of one week. From long experience the exhibits are displayed in such manner that the visiting buyers can find just what they are look-

ing for conveniently displayed, thus saving every unnecessary minute of their time. Many buyers spend their first day at the Fair in general observation, the second in closer inspection, and make their purchases on the following days.

Buyers from the Far East, Australia, South America and other remote places of the world can come but once a year to Europe; they choose the Leipzig Spring Fair, in preference to the Autumn Fair. Hence, the Spring Fair is the more important of the two annual Fairs.

INDUSTRIES AND TRADES REPRESENTED AT THE FAIR.

Growing steadily through centuries the Leipzig Fair has to-day attained the unchallenged position as the world's greatest merchandise centre.

Recognised as the World's International Fair, surpassing its record of 10,000 exhibitors last year, Leipzig is preparing to make the forthcoming Spring Fair the greatest in its history.

With highly competitive markets at home, and the everlasting search for the latest and best in every line—the **Leipzig Trade Fair to-day commands the attention of every British buyer.** In over 100 Exhibition Buildings, 175,000 and more registered buyers from more than 44 different countries select their merchandise, aware of the facilities at this World's open market.

There are over 10,000 Exhibitors, distributed over various industries and trades, as follows:

Advertising (including wrappers, posters, novelties)	278
Applied Art and Artistic Crafts	357
Chemicals, Cosmetics and Pharmaceutical Products	200
Foodstuffs	103
Glassware and Ceramics	733
Household Goods, and Electrical Household Appliances	908
Leather Goods	274
Musical Instruments	212
Notions and Fancy Goods	549
Optical Goods, Medical and Scientific Instruments	131
Precious Metals, Jewellery, Clocks and Watches	199
Shoes and Leather	145
Sports Goods	106
Stationery, Office Appliances, Books, Graphic Arts	1,039
Technical Exhibits (machinery, machine tools, power, gas, electro-technical products, iron and steel building materials, etc.)	1,713
Textile Goods	813
Toys	903
Wooden Ware and Furniture	311
Lighting Fixtures and allied articles	225
Miscellaneous Exhibits	959

LIST OF FAIR BUILDINGS WITH ADDRESSES.

I.—General Sample Fair.

- Barthels Hof**, Markt 8—Furniture, Furnishings, Interior Decorations, Glassware.
Bugra-Messhaus, Peterstrasse 38—Books, Stationery, Bookbinding.
Buchgewerbehaus, Dolzstr. 1—(Eilenburg Station). Bookbinding machinery.
Concentra-Messhaus, Peterstrasse 26—Household Utensils, Toys.
Deutsche Schuh- u. Ledermesse, Hall 13, Exhibition Grounds—Shoes and Leather.
Drei Könige, Peterstrasse 32/34—Toys.
Dresdner Bank, Goethestr. 3—Porcelain and Art Goods.
Dresdner Hof, Neumarkt, corner Kupfergasse—Miscellaneous goods.
Goldener Hirsch, Peterstr. 37—Toys, Fancy and Wicker Goods, Musical Instruments.
Grassi-Textilmesshaus, Königsplatz 10—Textiles, Fashion Goods, Sports Clothing.
Grönländer, Peterstr. 24—Lighting, Heating, Cooking Apparatus.
Grosser Reiter, Peterstr. 44—Paper, Stationery.
Handelshof, Grimmaischestr. 1-7—Ceramics, Glass, Metal Goods, Toys, Household Goods.
Jaegerhof, Hainstrasse 17/19—Office Equipment and Office Machines.
Städtisches Kaufhaus, Neumarkt 9/19—Ceramics, Glass, Metal Goods, Household Goods.
Keyzers Hof, Peterstr. 4-6—Toys and Fancy Goods.
Messhaus Kirmse, Neumarkt 10—Porcelain, Furniture, Dolls.
Königshaus, Markt 17—Household and Kitchen Utensils.
Königshof, Georgiring 1—Precious Metal Goods, Jewellery, Clocks, Watches.
Leipziger Hof, Reichsstr. 12—Cardboard Boxes, Packing Materials.
Mädlers Kaufhaus, Peterstr. 8—Leather Goods.
Mädler-Passage, Grimmaische Str. 2—Ceramics, Glass, Metal Goods, Lamps, etc.
Merkur, Neumarkt 7—Household and Kitchen Utensils.
Messamt, Markt 4—Information, Badges, Tickets, Directories, Press, Customs, etc.
Messhaus am Alten Theater, nr. old Theatre—Glass, Ceramics.
Messhaus Union, Am Hallischen Tor—Miscellaneous Goods.
Mey & Edlich, Neumarkt 20/22—Toys.
Musikmesshaus Konservatorium, Grassistr. 8—Musical Instruments, Music.
National, Markt, corner Peterstr.—Toys, Metal Goods, Leather Goods.
Oesterreichisches Messhaus, Hainstr. 16/18—Collective Austrian Exhibition.
Porzellanpalais, Ritterstr. 26, corner Goethestr.—Ceramics.
Reichshof, Reichsstr. 2—Miscellaneous Goods.
Reklamesse Ringmesshaus, Tröndlinring 9—Graphic Arts, Advertising Ind.
Ringmesshaus, Tröndlinring 9—Sports Goods, Toys, Furniture, Wicker Goods, Advertising Articles.
BRITISH SECTION, Main Building, first and fourth floor; **GREEK SECTION**, Main Building, 2nd floor; **ITALIAN SECTION**, Main Building, 4th floor; **YUGOSLAVIAN SECTION**, Main Building, 2nd floor; **JAPANESE SECTION**, Main Building, 4th floor.
Sachsenhof, Johannisplatz 1—Precious Metal Goods, Jewellery, Clocks, Watches.
Textilmesshaus Saxonia, Kramerstr. 5—Textiles.
Schuhmesse, Hall 13, Exhibition Grounds—Shoe and Leather Fair.
Schweizer Haus, Nikolaistr. 10—Confectionery; Swiss specialities.

- Specks Hof**, Reichsstr. 4-6—Precious Metal Goods; Jewellery, Clocks, Watches, Industrial Art Goods, Leather and Metal Goods, Glassware, etc.
Spielwarenhaus Wagner, Grimmaische Str. 6—Dolls, toys.
Stentzlers Hof, Peterstr. 39-41—Graphic and Book Trade, Stationery, Paper.
Stieglitzens Hof, Markt 13—Toys, Glassware.
Textilmesshalle, Königsplatz—Textiles.
Tschechoslowakisches Messhaus, Markt 11—Collective Czechoslovak Exhibition.
Union Messhaus, Am Hallischen Tor—Miscellaneous Goods.
Messeausstellung Universitaet, Universitätsstr.—Industrial Art Products.
Untergrundmesshalle (Underground Exhibition Hall), Markt—Household and Kitchen Goods, Leather Goods, etc.
Verkehrsbureau, Travel Office, Markt 4 and Central Station, East Side—Traffic, Travel, Accommodation, Guides, Interpreters, etc.
Zeissighaus, Neumarkt 18—Foodstuffs, Luxuries, Chemico-Pharmaceutical and Chemico-Technical Products.
Zentralmesspalast, Neumarkt 2, corner Grimmaische Str.—Metal Goods, Glassware, Toys, Interior Decorations, Industrial Art.

II.—Technical and Building Fair.

- Hall 1**—Building Materials, Builders' Hardware, Mountings, Fittings, etc. Iron and Wood Constructions, Collective Exhibition of the German Marble Quarry Owners' Association.
Hall 2—Building Machinery.
Hall 3—Stoves and Ranges, Heating Apparatus and Supplies and Fittings.
Open Space next to and Opposite Halls 1, 2, 3—Building Machinery, Street-laying Machinery, Economic Building Methods.
Hall 4—Fittings, Gas Utilisation, Bath Stoves, Geysers.
Hall 5—Electro-Technical and Wireless Goods.
Hall 6—Agricultural Machinery and Implements, Machinery and Apparatus for the Foodstuffs and Luxury Industries, Household Machines, Machines for Millers, Bakers, Butchers, Confectioners.
Open Space in Front of Hall 6—Agricultural Machinery, Tractors.
Hall 7—Motor Lorries, Motor Cars, Special Motors, Accessories.
Hall 8—Transport Means, Pumps, and Cardboard Machinery.
Hall 9—Machinery Exhibition.
Hall 10—Electro-technical Exhibits.
Hall 11—Machine Tools and other Tools, Welding and Cutting Plants, Foundry Products, Cast, Forged, Rolled, Pressed, Stamped and Drawn Products, Semi-manufactures, Model Printing Works in action.
Open Space on North Side of Hall 11—Conveying and Hauling Apparatus, Taylor System Plants, Vehicles, Machinery and Plants for various industries.
Hall 12 (Esti-House)—Iron and Steel Goods; Office Machines, Office Appliances; Motor Cycles, Bicycles, and Accessories.
Hall 13—German Shoe, Leather and Saddlery Fair.
Hall 18—Exhibition of the Union of Socialist Soviet Republics.
Hall 21—Heating Fair Motors.
Open Space in Front of and Next to Hall 21, and along the "Strasse des 18. October"—Dredgers, Locomotives, Field Railways, Windlasses, Street-laying Machinery, Tractors, Machinery Plants, Week-end Houses, Experimental Tracts for Demonstrating Road-laying.

SOME LEIPZIG FAIR FIGURES.**Total Number of Exhibitors.**

1897	1914	1918	1919	1923	1924	1925	1926	1927
1,300	4,252	8,325	8,500	15,000	15,000	14,000	10,700	11,000

The Toy Industry at the Leipzig Fair—Number of Exhibitors.

1920	1921	1922	1923	1924	1925	1926	1927
590	684	753	785	798	929	768	903

Exhibitors of Glassware and Ceramics.

1920	1921	1922	1923	1924	1925	1926	1927
800	841	892	890	839	955	820	733

Exhibitors of Shoes and Leather.

1920	1921	1922	1923	1924	1925	1926	1927
772	779	898	914	1,015	1,237	215	145

Number of Textile Exhibitors.

1914	1919	1921	1923	1925	1926	1927
83	227	1,226	1,375	1,452	1,200	813

Area Covered by Leipzig Sample Fair and Technical Fair. 300,000 sq. metres.

Total Number of Visitors.

1900	1914	1917	1919	1920	1921
15,700	20,000	34,000	95,000	140,000	130,000
1922	1923	1924	1925	1926	1927
155,000	166,000	176,500	180,000	150,000	175,000

POINTS WORTH KNOWING ABOUT THE SPRING FAIR, 1928.**British Newspapers, Periodicals and Trade Journals in Request.**

The combined Stand for British Papers was one of the chief attractions in the British Section last year, and approximately 2,000 enquiries were made by potential Advertisers and Subscribers.

It is interesting to note the great demand shown for British publications generally, and it is hoped that this exhibit will remain one of the regular exhibits of the Section.

Yugoslavia and International Exhibitions.

The Yugoslavian Finance Minister has authorised the Minister of Commerce to spend a considerable amount of money in connection with an official exhibit at the forthcoming Spring Fair; this exhibit will be an attraction.

The Minister of Commerce himself has stated that he expects to make a personal visit to Leipzig, in connection with the Exhibit.

Japan and the Leipzig Fair.

The United Japanese Chambers of Commerce have decided to promote a large exhibit at the Spring Fair. The amount of space booked is 1,800 square feet.

International Exhibition of Commercial Cars.

The Section for Commercial Cars of the German Automobile Association has decided to arrange an Exhibition in connection with the Leipzig Spring Fair. This Exhibition will include Lorries, Delivery Vans, Fire Engines, Road Sweepers, Ambulances, Omnibuses and other special Vans. A hall of about 17,000 sq. yards, adjoining the Technical Fair, is being erected in the most up-to-date manner without any pillars or other obstructions. The Hall will in itself be a masterpiece of engineering and well worth a visit.

The most important German manufacturers as well as those of other countries have already decided to exhibit, and the Exhibition promises to be the most interesting ever held. The organisation is in the hands of the German Automobile Association. All applications and enquiries should be made to them.

Kölnische Zeitung

(COLOGNE GAZETTE)

DAILY EDITION

issued twice daily. Germany's most important and widely read political newspaper. Leading Trade Journal. Most effective advertising medium.

WEEKLY EDITION

issued on Wednesdays and is widely circulated in every country of the world. Gives a complete and reliable survey of political, economic, and social conditions prevailing in Germany. An effective Weekly Paper for the Export Trade.

SPECIMEN COPIES AND INFORMATION CONCERNING ADVERTISEMENTS TO BE HAD FROM THE PUBLISHERS, KÖLNISCHE ZEITUNG, COLOGNE (RHINELAND).

WHO IS WHO AMONG BRITISH EXHIBITORS AT LEIPZIG.

A list of English Exhibitors and description of their Stands.

Stand No. 576b, Ringmesshaus.

**MESSRS. BLUNT & McCORMACK, LIMITED,
12, CHARING CROSS ROAD, LONDON,
W.C. 2.**

Manufacturers of Technical, Industrial and Instructional Films, Auto-Reel and Daylight Screen for making use of the cinematograph in daylight, and without attention or the necessity of attendance

Exhibiting examples of films, as well as the Auto-Reel Continuous Projector and Daylight Screen

Selling all over the world.

Interpreters who speak seven languages will be in attendance at the stand

Stand No. 573.

MESSRS. F. J. BHUMGARA, of 28 CAMOMILE STREET, LONDON, E.C. 3 (and of BOMBAY, CASHMERE and AMRITSAR).

Manufacturers of Indian Cotton Hand Printed Furnishing Fabrics, Covers, Curtains, Cushions, etc., in various sizes, also Furniture, Coffee Stools, Tables and Chairs, Indian Arts and Crafts

Exhibiting Textiles for complete Furnishing Decorations, and Indian Furniture, Fabrics, Arts and Crafts Goods.

Anxious to sell to America, Colonial and Continental, South African and Scandinavian buyers.

Sales Literature available in English and German

Stand No. 49, 1st Floor, Dresdner Hof.

**MESSRS. CUSSONS, SONS & CO., LTD.,
KERSAL VALE WORKS, MANCHESTER
(and Norwich House, Southampton Street,
High Holborn, London, W.C. 1).**

Manufacturers and Exhibitors of Soaps, Perfumery and Toilet Preparations.

Selling to various classes of buyers in all countries

Eine Aufstellung der englischen Aussteller und Beschreibung ihrer Stände.

Stand No. 576b, Ringmesshaus.

**FIRMA BLUNT & McCORMACK, LIMITED,
12, CHARING CROSS ROAD, LONDON,
W.C. 2.**

Hersteller von technischen, industriellen und erzieherischen Filmen, sowie der Auto-Rolle und der Tageslicht-Projektionswand zur Benutzung des Kinetographen bei Tageslicht, ohne Bedienung.

Unter den ausgestellten Erzeugnissen dieser Firma befinden sich Beispiele von Filmen, und ferner der Auto-Rolle Dauerprojektor und die Tageslicht-Projektionswand

Verkauf nach allen Ländern.

Dolmetscher, die sieben Sprachen sprechen, werden am Stande anwesend sein

Stände No. 573.

FIRMA F. J. BHUMGARA, 28 CAMOMILE STREET, LONDON, E.C. 3 (und BOMBAY, KASCHMIR und AMRITSAR).

Fabrikanten handbedruckter indischer Möbelstoffe, Decken, Vorhänge, Kissen, usw. in verschiedenen Größen; ferner Möbel, Hocker, Tische und Stühle, indische Heimkunstartikel

Unter den ausgestellten Erzeugnissen befinden sich komplette Innendekorationen, indische Möbel, Stoffe, Heimkunstwaren

Interesse für den Absatz nach Amerika, dem Kontinent, den Kolonien, Südafrika und Skandinavien

Drucksachen stehen in englischer und deutscher Sprache zur Verfügung.

Stand No. 49, 1. Stock, Dresdner Hof.

**FIRMA CUSSONS, SONS & CO., LTD.,
KERSAL VALE WORKS, MANCHESTER
(und Norwich House, Southampton Street,
High Holborn, London, W.C. 1).**

Fabrikanten und Aussteller von Seifen, Parfümerien und Schönheitsmitteln.

Verkauf an verschiedene Käuferklassen aller Länder.

"B.O.M." SERVICE AT LEIPZIG.

Exhibitors ! Whom do you wish to interest ?

Buyers ! What goods are you seeking ?

MAKE USE OF OUR CONTACT SERVICE AND SAVE VALUABLE TIME.

Stand No. 568a, Ringmesshaus, Tröndlin Ring,
4th Floor.

**MESSRS. BUSINESS ORGANISATION,
LIMITED, GRANVILLE CHAMBERS,
BURY STREET, LONDON, W.C. 1.**

Tel. : Museum 1083.

PUBLISHERS of the "BUSINESS ORGANISATION MAGAZINE," dealing with "Banking and Finance," "Accountancy," "Organisation and Management," "Publicity," "Market Research," "International Service," "Languages," and "Shipping and Transport." Each Section is supported and supplemented by SERVICE unique in business journalism. Indeed, "B.O.M." is the only British Magazine rendering Advisory and Consultancy Services on an International Scale.

The chief aim and objects of the "B.O.M." are to promote International Trade, by discussing those aspects and problems of that trade, and by supplying those data and information which are essential for a smooth running and progressive development of business.

The subscription to "B.O.M." is only 12/- per annum, post free, entitling the subscriber to many invaluable services under each section.

Being read by the executives, buyers, import and export managers, and the staff of the leading business and manufacturing houses in Great Britain, the British Dominions, and 67 foreign countries, "B.O.M." constitutes a most valuable advertising medium for manufacturers, importers, exporters, banking and service institutions in all countries, whose international business success depends on a specific appeal to potential prospects.—Advertisement Rates and advertising suggestions upon request.

As the present number of this magazine is a special LEIPZIG FAIR ISSUE AND GUIDE TO BRITISH EXHIBITORS AND VISITORS AT LEIPZIG, the Stand is the ENQUIRIES AND SERVICE STAND, where everybody interested in business with the British Empire or other countries will be able to obtain information and advice.

The Managing Director of Business Organisation, Ltd., Mr. F. Tozeland, and the International Editor and Market Research Counsellor, Mr. C. W. Frerk, who speaks twelve languages, will be at the stand, to render services, as well as distribute specimen copies of B.O.M." to interested parties

Stand No. 568a, Ringmesshaus, Tröndlin Ring,
4. Stock.

**FIRMA BUSINESS ORGANISATION,
LIMITED, GRANVILLE CHAMBERS,
BURY STREET, LONDON, W.C. 1.**

Telefon Museum 1083.

VERLEGER des "BUSINESS ORGANISATION MAGAZINE," welches "Bank und Finanzwesen," "Buchhaltungswesen," "Organisation und Geschäftsleitung," "Reklame," "Marktuntersuchung," "Internationale Dienste," "Sprachen," und "Schiffahrts- und Transportwesen" behandelt. Ein jeder Abschnitt wird durch DIENSTE unterstützt und ergänzt, die ohne jede Konkurrenz sind. In der Tat ist "B.O.M." das einzige britische Magazin, das solche Auskunfts- und Beratungs-Dienste auf Internationaler Basis bietet

Die Hauptziele und Bestrebungen des "B.O.M." liegen in der Förderung des Internationalen Handels, durch Besprechung aller Handels-Fragen und Probleme und durch Lieferung solcher Auskünfte und Unterlagen, die für eine glatte Abwicklung und fortschrittliche Ausdehnung aller Geschäfte unbedingt notwendig sind

Das Jahresabonnement auf "B.O.M." kostet nur 12 Rmk. bei freier Zustellung, und berechtigt jeden Abonnenten zur Inanspruchnahme vieler wertvoller Dienste unter jedem Abschnitt der Zeitschrift

Da "B.O.M." von den Geschäftsleitern, Einkäufern, Ein- und Ausfuhr-Leitern, sowie den Angestellten der führenden Geschäfts- und Fabrikations-häuser in Grossbritannien, den Britischen Dominien und 67 anderen Ländern gelesen wird, ist diese Zeitschrift ein äusserst wertvolles Werbeorgan für solche Fabrikanten, Importeure, Exporteure, Bank- und andere Dienst-Institute, deren internationalen Geschäftserfolge von einer spezifischen Werbung unter kaufkräftigen Kreisen abhängen. Anzeigentarife und Werbevorschläge auf Anfrage

Da die vorliegende Nummer dieser Zeitschrift eine LEIPZIGER MESSESONDERNUMMER UND FÜHRER DER BRITISCHEN AUSSTELLER UND MESSEBESUCHER IN LEIPZIG ist, so ist der Stand der Verleger der AUSKUNFTS- UND DIENST STAND, wo jedermann, der am Handel mit Grossbritannien, den Britischen Dominien oder anderen Ländern Interesse hat, Auskunft und Rat erhalten kann

Der Geschäftsführer der Business Organisation Ltd., Herr Fr. Tozeland, und der Internationale Schriftleiter und Marktuntersuchungsberater, Herr C. W. Frerk, der zwölf Sprachen spricht, werden am Stande anwesend sein, um Dienste zu bieten, sowie Hefte des "B.O.M." an Interessenten abzugeben

Stand No. 570a, Ringmesshaus.**MESSRS. THOS. COOK & SON, LTD.,
BERKELEY STREET, LONDON, W. 1.**

Travel Bureau, Railway and Steamship Agents, Forwarding and Insurance Agents, Foreign Bankers.

Have published a small brochure for the information of intending travellers to Leipzig, giving complete details of outward and return services together with particulars of the special reduced fares and other matters of use to those who contemplate a visit to the Fair.

Supply, without extra charge, tickets and reservations for any journey. Their system of "Inclusive Independent Travel without Trouble" relieves the business man from any anxiety regarding his travel affairs. Every detail of the journey can be arranged beforehand and practically every necessary expenditure provided for. The whole cost of the trip is covered by one sum paid in exchange for a book of tickets and coupons covering every stage of the journey.

Other services include the securing of hotel accommodation throughout the world, passage tickets for ocean travel, tickets for flights and hire of aeroplanes for special journeys; "Popular" holiday tours to all parts of Europe at moderate inclusive fares.

The stand will show posters and illustrated descriptive booklets, dealing with travel arrangements all over the world; also Cook's "Traveller's Gazette" in six languages. Attendants will discuss travel matters with buyers and visitors at the Fair.

Stand Ringmesshaus, 1st Floor.**MESSRS. F. A. DAVIS, LTD., of BROOKE'S
MARKET, BROOKE STREET, LONDON,
E.C. 1.**

Manufacturers of all kinds of Sports Goods.

Exhibiting a general range of Tennis Rackets including the "Argus," "L.H.K.," "Revera," "Riseley Hexagon," "Pioneer," improved model, "Dryad," "The Viking," "Leader," "Sivad"; Tennis Balls, including the "Matchpoint" (stitchless), "Service" (stitchless). Furthermore, Tennis Posts and General Tennis Equipment, Croquet, Badminton, Excelite Bowls, Hockey Sticks, Hockey Balls, Grips, Squash and Racquet Rackets, etc.

Selling to the general Sports Retailers throughout Germany, through their German Agent, Mr. F. H. Groger, Monckebergstrasse 18, Hamburg 1, who will be in attendance at the stand.

Sales literature available in English and German.

Stand No. 575, Ringmesshaus.**MESSRS. DEAN & DAWSON, LIMITED, 7,
BLANDFORD SQUARE, LONDON, N.W. 1.**
Travel Organisers.

Exhibiting Travel Literature, Programmes of Tours, Posters, etc. Wish to interest the Travelling Public in all parts of the world.

Will distribute copies of their publications from the stand.

Stand No. 570a, Ringmesshaus.**FIRMA THOS. COOK & SON, LTD.,
BERKELEY STREET, LONDON, W. 1.**

Weltreisebureau; Bahn- und Dampfer-Agentur, Transport- und Versicherungs-Agentur, Wechselbank.

Haben eine kleine Broschüre zur Aufklärung von nach Leipzig fahrenden Reisenden herausgebracht, die genaue Einzelheiten über die Hin- und Rückfahrtverbindungen, die Fahrpreis-Nachlasse und andere wichtige Information für Messebesucher enthält.

Das Bureau liefert, ohne Preisaufschlag, Fahrkarten und Platzkarten für sämtliche Reisen. Das System der "Vollkommen unabhängig sorglosen Reisen" befreit den Geschäftsreisenden von aller Sorge in bezug auf seine Reiseangelegenheiten. Jeder Teil seiner Reise kann vorher festgelegt und jede Ausgabe vorher vorgesehen werden. Der Gesamtpreis der Reise wird mit einer Summe für ein Karten- und Kupon-Heft, das jede Etappe der Reise umfasst, gedeckt.

Andere Dienste befassen sich mit der Beschaffung von Hotel-Unterkunft in der ganzen Welt, Fahrkarten für Ozeanreisen, Luftfahrkarten und Mietung von Flugzeugen für Sonderfahrten; "Volks"-Urlaubs-Touren nach allen Teilen Europas zu mässigen, alles einschliessenden Preisen.

Am Stande zeigt die Firma Plakate und beschreibende Broschüren über Reisegelegenheiten nach allen Teilen der Welt; ferner "Cook's Zeitung des Reisenden" in sechs Sprachen. Die am Stande anwesenden Herren werden mit Besuchern und Einkäufern gern Reiseangelegenheiten besprechen.

Stand Ringmesshaus, 1. Stock.**FIRMA F. A. DAVIS, LIMITED, BROOKE'S
MARKET, BROOKE STREET, LONDON,
E.C. 1.**

Sport-Artikel-Fabrikanten.

Ausstellung von Tennisschlagern folgender Marken. "Argus," "L.H.K.," "Revera," "Riseley Hexagon," "Pioneer" (verbessertes Modell), "Dryad," "The Viking," "Leader," "Sivad"; nahtlose "Matchpoint" und "Service" Tennisbälle. Ferner Tennis-Pfähle und sonstige Tennis-Zubehöre; Krocket, Badminton, Bowlingsspiele, Hockey-Bälle und Stocke, Griffe, Racket-und andere Schläger.

Verkauf an die Sportartikel-Detailgeschäfte in ganz Deutschland, durch den deutschen Vertreter, Herrn F. H. Groger, Monckebergstrasse 18, Hamburg 1, der am Stande anwesend sein wird.

Drucksachen stehen in englischer und deutscher Sprache zur Verfügung.

Stand No. 575, Ringmesshaus.**FIRMA DEAN & DAWSON, LIMITED, 7,
BLANDFORD SQUARE, LONDON, N.W. 1.**
Reise-Organisatoren.

Am Stande liegt Reise-literatur aus; ferner Gesellschaftsreisen-Programme, Plakate, usw.

Das reisende Publikum aller Länder soll interessiert werden.

Drucksachen werden vom Stande aus abgegeben.

Stand No. 188 in Hall No. 11.

MESSRS. FRY'S (LONDON) LIMITED, of ENOX HOUSE, 24-26, WATER LANE, LONDON, E.C. 4.

Engineers' Tool Manufacturers.

Exhibiting Hack Saw Blades, Reamers, and Joiners' Tools, Small Lathes, Grinding Machines, Turnscrews, and Braces.

Bulk of trade done with the merchant or distributor, but in certain markets where the firm is not yet represented satisfactorily, they are able to book orders from the large works who may be in a position to order carriage paid lots, for direct delivery.

Sales literature available in English, French and German.

Stand No. 191, Hall No. 11.

MESSRS. JOHN HARPER & COMPANY, LIMITED, ALBION WORKS, WILLEN-HALL, STAFFS.

General Ironfounders, Makers of Domestic and Builders' Hardware, etc.

Exhibiting Food Choppers, Paraffin Oil Stoves, Coffee Mills, Maize Mills, Steel Shelf Brackets, Door Bolts, etc.

Selling to German merchants and dealers in Domestic Hardware, and seeking connections with buyers in Austria, Czechoslovakia, Spain, Portugal, Italy.

Sales Literature published in five languages: English, German, Spanish, Portuguese and Italian.

The Sales Manager will be at the Stand.

Stand No. 64, Ringmesshaus.

MESSRS. HAZEL & Co., 113, MARE STREET, LONDON, E. 8.

Manufacturers of Sports Goods.

Exhibiting Tennis Rackets, Hockey Sticks, Badminton Rackets, Cricket Bats and sundries for these goods.

Selling to sports goods dealers in Great Britain, British Empire, Germany, Austria, Czechoslovakia, Hungary, Holland, etc.—Can also supply manufacturers with raw Tennis bends for them to make up themselves—best English ash bends; finished tennis racket frames for manufacturers and wholesalers who string up frames themselves.

Sales Literature available in English only.

Mr. C. G. Harris, Managing Director, and two German representatives, Mr. Hans Kunst, of Cologne, and Mr. Friedrich Kahmann, of Berlin, will be in attendance at the stand.

Stand No. 578a, Ringmesshaus.

SOUTHERN RAILWAY, Advertising Department, WATERLOO STATION, LONDON, S.E. 1.

Exhibiting Posters and General Literature about the Southern Railway of England.

Appealing to all classes of travellers in all countries Literature in English, with Time-Tables in German.

Stände No. 188 in Halle No. 11.

FRY'S (LONDON) LIMITED, ENOX HOUSE, 24-26, WATER LANE, LONDON, E.C. 4.

Werkzeugfabrikanten.

Die Ausstellung umfasst Hacksagenblätter, Reibahlen, Schreinerwerkzeuge, kleine Drehbänke, Schleifmaschinen, Schraubenschlüssel, Bohrer.

Verkauf hauptsächlich durch Grossisten und Vertriebsgesellschaften; in Ländern, wo die Firma noch nicht zufriedenstellend vertreten ist, können Aufträge von grossen Werken, die Franko-Haus-Bestellungen erteilen können, zur direkten Lieferung entgegengenommen werden.

Drucksachen in Englisch, Französisch und Deutsch.

Stand No. 191, Hall No. 11.

FIRMA JOHN HARPER & COMPANY, LIMITED, ALBION WORKS, WILLEN-HALL, STAFFS.

Eisengiesserei; Fabrikation von Haushaltartikeln und Baubeschlägen.

Stellen aus: Küchenmesser, Petroleum-Ofen, Kaffeemühlen, Maismühlen, eiserne Regalwinkel, Turbolzen, usw.

Verkauf an deutsche Grossisten und Haushaltartikel-Händler; suchen ausserdem Verbindung mit Käufern in Oesterreich, der Tschechoslowakei, Spanien, Portugal und Italien.

Drucksachen in 5 Sprachen vorhanden—Englisch, Deutsch, Spanisch, Portugiesisch und Italienisch

Der Verkaufsleiter wird selbst am Stande anwesend sein.

Stand No. 64, Ringmesshaus.

FIRMA HAZEL & Co., 113, MARE STREET, LONDON, E. 8.

Sportartikel-Fabrikanten.

Stellen aus Tennisschläger, Hockey-Stöcke, Badminton-Schläger, Cricket-Schlagholz, und Zubehöre zu diesen Artikeln.

Verkauf an Sportartikelhändler in Grossbritannien, dem britischen Reich, Deutschland, Oesterreich, Tschechoslowakei, Ungarn, Holland usw.—Liefere ferner an Fabrikanten: Tennis-Biegeholz zur Anfertigung von Schlägern, aus bestem englischem Eschenholz; fertige Tennisschläger-Rahmen an Fabrikanten und Grossisten, die Rahmen selbst beziehen.

Drucksachen nur in englischer Sprache vorhanden.

Mr. C. G. Harris, Geschäftsführer, und zwei deutsche Vertreter, Herr Hans Kunst aus Köln und Herr Friedrich Kahmann aus Berlin werden am Stande anwesend sein.

Stand No. 578a, Ringmesshaus.

SOUTHERN RAILWAY, Propaganda-Abteilung, WATERLOO STATION, LONDON, S.E. 1.

Auskunftsstand der Southern Eisenbahn England's; Plakate und Drucksachen über Reisegelegenheiten in englischer Sprache, nebst deutschen Fahrplänen

Wendet sich an alle Klassen von Reisenden aller Länder.

Stands No. 624-626 and 646-648 in Hall No. 11.

**MESSRS. ALFRED HERBERT, LIMITED,
of COVENTRY.**

Manufacturers of Turret Lathes, both Automatic and Semi-Automatic, Horizontal and Vertical Milling Machines, High Speed Drilling Machines, and Equipment for these Machines, consisting of Jigs, Fixtures and Tools.

Exhibiting a large size Automatic Turret Lathe for dealing with jig work, a medium sized Turret Lathe, a Combination Turret Lathe for chuck work, a Hexagon Turret Lathe for bar work, and a No. 4 Capstan Lathe for chuck work. All these machines in operation.

Selling to all classes of engineering firms in all countries. A staff of engineer salesmen will be in attendance.

Sales literature available in English, French, German, Italian and Spanish.

Stand No. 260, Grassi Textil-Messhaus.

**MESSRS. LEE SPINNING COMPANY, LTD.,
29, JOHN DALTON ST., MANCHESTER.**

Spinners and Doublers of Egyptian Cotton Yarns in the finer counts, for the manufacture of Woven Fabrics, Hosiery, Embroidery, Sewing Cotton, and for the Glove and Electrical Trades.

Many specimens of articles manufactured from these Yarns may be found in the Show Case forming the Exhibit.

The products find a very ready sale amongst the largest manufacturers on the Continent of Europe.

Stand No. 572b, Ringmesshaus.

**THE LONDON MIDLAND AND SCOTTISH
RAILWAY COMPANY, Advertising and
Publicity Department, of 2, EUSTON SQ.,
LONDON, N.W. 1.**

Exhibiting a selection of Travel Literature published in two languages, English and French, which will materially assist potential visitors to the British Isles.

Included in the exhibit is also a number of Posters depicting scenes and industries covered by the L.M.S. Railway Company's system.

The London Midland and Scottish Railway, which is the largest Railway Company in the British Isles, serves no less than 32 out of the 40 counties, and has access to the Continent by two steamship routes, via Hull and Zeebrugge, and via Tilbury and Dunkerque.

The literature which is available at the stand gives information in great detail regarding the transport facilities offered by the L.M.S. Railway, both goods and passenger traffic.

Stand No. 574a, Ringmesshaus.

**LONDON & NORTH EASTERN RAILWAY,
KING'S CROSS STATION, LONDON, N. 1.**

The Stand has been jointly taken by the London & North Eastern Railway of England and Scotland in conjunction with the Zeeland Steamship Company and the

Stände No. 624-626 und 646-648 in Halle No. 11.

ALFRED HERBERT LIMITED, COVENTRY

Hersteller von automatischen und halbautomatischen Revolverdrehbänken, horizontalen und vertikalen Fräsmaschinen, Schnellbohrmaschinen sowie sämtlichen Zubehörsarten, wie Führungslehren, Gestellen und Werkzeugen.

In der Ausstellung befindet sich eine grosse automatische Revolverdrehbank für Schablonenarbeiten, eine mittelgrosse Revolverdrehbank, eine Kombinations-Revolverdrehbank für Planscheibenarbeiten, eine Sechseck-Stahlwechsellagerbank für Prismenarbeiten, und eine mehrspindige Planscheibendrehbank No. 4. Sämtliche Maschinen werden praktisch vorgeführt.

Verkauf an Maschinenbauwerkstätten in allen Ländern. Beratende Ingenieure werden am Stande anwesend sein.

Drucksachen sind in englischer, französischer, deutscher, italienischer und spanischer Sprache vorhanden.

Stand No. 260, Grassi Textil-Messhaus.

**FIRMA LEE SPINNING COMPANY, LTD.,
29, JOHN DALTON ST., MANCHESTER.**

Ägyptische Baumwollgarn-Spinnerei. Herstellung von feinen Garnen für gewebte Stoffe, Strick- und Wirkwaren, Nähzwirne, und für die Handschuh- und elektrotechnische Branche.

In dem am Stande befindlichen Ausstellungskasten befinden sich Muster von Waren, die mit den Garnen dieser Firma hergestellt worden sind.

Die Erzeugnisse werden von den grossten Fabrikanten auf dem europäischen Kontinent gern gekauft.

Stände No. 572b, Ringmesshaus.

**THE LONDON MIDLAND AND SCOTTISH
RAILWAY COMPANY, Reklame- und Pro-
paganda-Abteilung, 2, EUSTON SQUARE,
LONDON, N.W. 1.**

Auslage von Reiseliteratur in englischer und französischer Sprache, zur Unterstützung von England-Reisenden.

Unter anderem wird auch eine Reihe von Plakaten gezeigt, welche die von der L.M.S. Eisenbahngesellschaft erfassten Landschaften und Industriegebiete darstellen.

Die London Midland and Scottish Eisenbahn, die grösste der englischen Eisenbahngesellschaften, durchläuft nicht weniger als 32 der 40 englischen Grafschaften und ist durch zwei Dampferlinien, von Hull nach Zeebrugge und von Tilbury nach Dunkirchen, mit dem Kontinent verbunden.

Die am Stande ausliegenden Drucksachen geben genaue Auskunft über die seitens der L.M.S. Eisenbahn gebotenen Güter- und Passagier-Verkehrs-Erleichterungen.

Stand No. 574a, Ringmesshaus.

**LONDON & NORTH EASTERN RAILWAY,
KING'S CROSS STATION, LONDON, N. 1.**

Dieser Stand ist gemeinschaftlich seitens der London & North Eastern Eisenbahn von England und Schottland mit der Zeeland Dampfer Gesellschaft und der Eisenbahn der Niederlande übernommen worden.

Netherlands Railways, for the purpose of disseminating information in regard to travel between Germany and England.

The object is to make more widely known the two routes through Holland for business or pleasure, via Flushing—Harwich by day, or via Hook-of-Holland—Harwich by night.

A representative will be in attendance to answer enquiries, and exhibited at the Stand will be pictorial posters and illustrated booklets relating to the services between Germany and England, also to places of interest from a health or holiday standpoint.

Stands No. 17-19 in Hall 1.

PREVITÉ (TRINIDAD BITUMEN) LTD., of 292, WINCHESTER HOUSE, OLD BROAD STREET, LONDON, E.C. 2.

The Stands are in the Road-Making Section, and the Exhibits deal with the uses to which Trinidad Lake Asphalt is put to in Modern Road Construction. Photographs will be shown of the Pitch Lake in Trinidad, B.W.I., demonstrating the simple method of digging and transporting the Crude Asphalt to the Drying Plant, the barrelling of the Dried or "Epuré" Asphalt; the means of shipment, the model Village in which are housed the white staff and negro labourers. Photographs will also be shown of streets in the course of construction, or already constructed with Trinidad Asphalt, in practically every country in the world.

Samples will be shown of Crude Trinidad Asphalt, Trinidad Lake Asphalt Epuré, Trinidad Asphalt Cement, Trinidad Liquid Asphalt; samples of various types of Trinidad pavements cut from streets which have been down many years, both in the British Isles and on the Continent; also a sample of Trinidad pavement cut last July from a street laid in Washington, D.C., laid in 1879.

A feature of the Exhibition is the stabilisation and enrichment of Tar by means of Trinidad Bitumen, which method is now being used extensively throughout Europe. Another feature is the use of Trinidad Mastic Asphalt in road construction.

The Buyers are Contractors and Municipal, Provincial and State Authorities.

Literature available in English, French and German.

Stand No. 580, Ringmesshaus.

REDFERN'S RUBBER CO., 75, NEWMAN STREET, LONDON, W. 1.

Manufacturers of Lettered Rubber Mats for Publicity purposes, Fancy Floor Mats and General Household Rubber Goods, Rubber Flooring, Rubber Heels and Soles, Canvas and Leather Shoes with Rubber Soles, Ebonite for Wireless and Electrical purposes, all kinds of hard and soft rubber goods for industrial purposes.

Exhibiting Lettered Advertising Mats, Fancy Household Mats and general Rubber Goods.

Selling mats to all industrial concerns and manufacturers of proprietary articles and branded goods. Other lines to Government Institutions, Wholesale Importers, Engineering Concerns, etc.

Sales Literature available in English, French, German, Italian, Swedish.

Managers of Sales and Export Departments, as well as certain agents and representatives will be in attendance at the stand.

Der Zweck ist, Auskünfte über die Reisemöglichkeiten zwischen Deutschland und England zu erteilen.

Es sollen die beiden Reisewege durch Holland, für Geschäfts- oder Vergnugungsreisen, bekannter gemacht werden, also über Vlissingen nach Harwich bei Tag, und über Hoek-van-Holland nach Harwich bei Nacht.

Ein Auskunftsbeamter wird am Stande anwesend sein. Es werden ferner am Stande Plakate und illustrierte Broschüren über die Verbindungen zwischen Deutschland und England, und über Urlaubs- und Erholungs-Orte in England ausgelegt.

Stände No. 17-19 in Halle 1.

PREVITÉ (TRINIDAD BITUMEN) LTD., 292, WINCHESTER HOUSE, OLD BROAD STREET, LONDON, E.C. 2.

Die Stände befinden sich in der Strassenbau-Abteilung der Messe, und zeigen die Verwendung von Trinidad-See Asphalt im modernen Strassenbau. Es werden Photographien gezeigt, die den Pechsee zu Trinidad in Britisch-Westindien, die Forderung und den Transport des rohen Asphaltes zur Trockenvorrichtung, und das Füllen in Fässer des getrockneten Asphaltes darstellen; ferner die Verschiffung von Asphalt, das vorbildliche Dorf, in welchem die weissen Beamten und schwarzen Arbeiter leben. Weiterhin Photographien von im Bau befindlichen oder bereits fertiggestellten Strassen aller Länder, bei denen Trinidad Asphalt verwendet wird bzw. verwendet wurde.

Muster werden gezeigt von rohem Trinidad Asphalt, getrocknetem Trinidad Asphalt, Trinidad Asphalt-Zement, und flüssigem Trinidad Asphalt. Ferner Beispiele von verschiedenen Trinidad Pflasterungen, die aus vor vielen Jahren in Grossbritannien und auf dem Kontinent gebauten Strassen genommen worden sind, ausserdem ein Musterstück einer Trinidad-Pflasterung, das im vergangenen Juli aus einer in Jahre 1879 in Washington D.C. gebauten Strasse entnommen wurde.

Sehenswert in dieser Ausstellung ist die Hartung von Teer mit Trinidad Bitumen, welches Verfahren heute in ganz Europa Anwendung findet; weiterhin die Verwendung von Trinidad Mastix-Asphalt beim Strassenbau.

Als Interessenten kommen Bauunternehmer, Stadt-, Provinz- und Reichsbehörden in Frage.

Drucksachen stehen in englischer, französischer und deutscher Sprache zur Verfügung.

Stand No. 580, Ringmesshaus.

REDFERN'S RUBBER CO., 75, NEWMAN STREET, LONDON, W. 1.

Hersteller von Gummi-Matten mit Beschriftung für Reklamezwecke, Ziervorleger und Gummiwaren für Haushalt. Gummi-Fussbodenbelag. Gummi-Absätze und -Sohlen. Tuch- und Lederschuhe mit Gummi-sohlen. Ebonit für Radio- und elektrische Zwecke. Alle Sorten von Hart- und Weichgummiwaren für industrielle Zwecke.

Am Stande zu sehen sind beschriftete Reklame-Matten aus Gummi Haushalts- Ziermatten und allgemeine Gummiwaren.

Verkauf der Matten an industrielle Firmen und Fabrikanten von Markenartikeln. Die anderen Erzeugnisse an Regierungsbehörden, Importeure, Technische Fabriken, usw.

Verkaufs-Literatur in Englisch, Französisch, Deutsch, Italienisch und Schwedisch vorhanden.

Die Leiter der Vertriebs- und Export-Abteilungen sowie einige Vertreter werden am Stande anwesend sein.

Stand No. 64a, Peterstrasse 16.**MESSRS. J. STEAD & CO., LTD., MANOR WORKS, CRICKET INN ROAD, SHEFFIELD.**

Manufacturers of Gramophone Needles, Mainsprings and Accessories. All kinds of Pins and Accessories for use in Textile Machinery.

Exhibiting Gramophone Needles, Mainsprings and Accessories, and Textile Pins.

Sales Literature available in English, French and German.

Selling to Gramophone Makers and Factors; Textile Machinery Makers, in 30 countries outside Great Britain.

Stand No. 576a, Ringmesshaus.**THE TRADE & TECHNICAL JOURNALS BUREAU, BRIDEWELL HOUSE, BRIDEWELL PLACE, LONDON, E.C. 4.**

Exhibiting British Trade, Technical and Specialist Journals, embodying every trade

Free specimen copies will be distributed to interested visitors, and information will be given as to advertising in these journals.

Interpreters speaking seven languages will be in attendance at the stand.

Stand No. 87, Ringmesshaus, Ground Floor.**MESSRS. WALTER BRIGGS, LIMITED, 48, PEARTREE STREET, LONDON, E.C. 1.**

Manufacturers of Tennis and Badminton Frames and Rackets, Hockey Sticks, Table Tennis Sets and Accessories.

Exhibiting Tennis, Badminton, Hockey, Table Tennis Goods.

Selling to Factors, Stores, and Retailers in Great Britain, South Africa, Australia, Holland, Belgium, Scandinavia, Poland, Germany, and other countries.

Catalogues published in English and German.

Stand No. 2731, Grassi-Textilmesshaus.**MESSRS. N. CORAH & SONS, LIMITED, ST. MARGARET'S WORKS, LEICESTER.**

Manufacturers of Hosiery and Knitted Goods

Exhibiting Knitted Goods.

Selling to wholesalers and dealers.

Stand No. 579, Ringmesshaus.**MESSRS. S. ERHARD & SONS, 8, BRADFORD AVENUE, LONDON, E.C. 1.**

Japanese Merchants.

Exhibiting Japanese Toys and Fancy Goods, Chinese Embroideries and Porcelain Ware; Japanese Pearls.

Selling to Importers, Merchants and Wholesalers in all countries.

Sales Literature in English and German

Stand No. 64a, Peterstrasse 16.**FIRMA J. STEAD & CO., LTD., MANOR WORKS, CRICKET INN ROAD, SHEFFIELD.**

Fabrikanten von Gramophon-Nadeln, Federn und Zubehorteilen; ferner alle Nadeln und Zubehore fur die Textilmaschinen-Industrie.

Die Ausstellung umfasst Gramophon Nadeln, Federn und Zubehore sowie Textilmaschinen-Nadeln.

Drucksachen in englischer, französischer und deutscher Sprache vorhanden.

Verkauf an Gramophon-Fabrikanten und Grossisten; Textilmaschinen-Fabrikanten, in 30 Ländern ausserhalb Grossbritanniens.

Stand No. 576a, Ringmesshaus.**THE TRADE & TECHNICAL JOURNALS BUREAU, BRIDEWELL HOUSE, BRIDEWELL PLACE, LONDON, E.C. 4.**

Ausstellung britischer Wirtschafts-, Fach- und Spezial-Zeitschriften aller Industrie- und Handelszweige

Preiexemplare werden Interessenten zur Verfügung gestellt und Auskünfte über Anzeigenpreise in diesen Zeitschriften erteilt.

Dolmetscher, die sieben Sprachen sprechen, werden am Stande anwesend sein.

Stand No. 87, Ringmesshaus, Erdgeschoss.**FIRMA WALTER BRIGGS, LIMITED, 48, PEARTREE STREET, LONDON, E.C. 1.**

Fabrikanten von Tennis und Badminton Rahmen und Schlagern, Hockey-Stocken, Tisch-Tennis Spielen und Zubehoren

Ausgestellte Artikel: Tennis, Badminton, Hockey, Tisch-Tennis Spiele usw.

Verkauf an Wiederverkäufer, Warenhauser, Detailgeschäfte in Grossbritannien, Südafrika, Australien, Holland, Belgien, Skandinavien, Polen, Deutschland und in anderen Ländern.

Drucksachen in Deutsch und English vorhanden

Stand No. 2731, Grassi-Textilmesshaus.**FIRMA N. CORAH & SONS, LIMITED, ST. MARGARET'S WORKS, LEICESTER.**

Strick- und Wirkwaren-Fabrikanten.

Stellen Strickwaren aus.

Verkauf an Grossisten und andere Wiederverkäufer.

Stand No. 579, Ringmesshaus.**FIRMA S. ERHARD & SONS, 8, BRADFORD AVENUE, LONDON, E.C. 1.**

Japan-Handler.

Aussteller von japanischen Spiel- und Galanteriewaren, chinesischen Stickereien und Porzellanwaren; japanischen Perlen.

Verkauf an Importeure, Händler, Grossisten aller Länder.

Drucksachen in English und Deutsch.

Stand No. 572a, Ringmesshaus.**GREAT WESTERN RAILWAY, PADDINGTON STATION, LONDON, W. 2.**

The "Holiday Line" of England.

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Wish to interest travellers from all countries.

Literature available in English and German

Stand No.**MESSRS. W. H. JAMES, LIMITED, 29, KIRBY STREET, LONDON, E.C. 1.**

Sports Goods Manufacturers.

Exhibiting Tennis, Badminton and other Rackets, Hockey Sticks and Sundries.

Selling to all Sports Goods Dealers.

Sales Literature in English and German.

Stand No. 167, Messhaus Wagner.**MESSRS. MECCANO, LIMITED, BINNS ROAD, LIVERPOOL.**

Toy Manufacturers

Exhibiting Meccano constructional toys and Hornby Trains.

Selling to Toy Importers, Dealers, Wholesale and Department Stores.

Sales Literature in English, German, Dutch, French, Danish, Norwegian, Swedish, Spanish.

Stand No. 91-94, Hall VI.**MESSRS. ROSE BROS. (GAINSBOROUGH), LIMITED, GAINSBOROUGH.**

Manufacturers of Automatic Machines for Packing Cereals, Tea, Soap Powders, Soap Flakes, Lux, Cocoa Powder, Coffee, Berries, Tobacco, Cigarettes, Blue, etc., into bags and cartons, and Labelling Machines for securing same with suitable labels. Also Confectionery Wrapping Machinery.

Exhibiting Confectionery Wrapping Machinery, namely, Plastic Premier Cut and Wrap Machine No. 11a. Registering UNIQUE with understrip No. 12a. Revised Unique No. 12. Registering ICE BONBONS Machine interchangeable Caramels "C" Type Machine No. 10 S.B.B. Machine leaflet in litho

Selling to wholesale manufacturers and merchants in trades effected by above commodities All countries of the world.

Sales Literature available in English, French, and German.

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Sportartikel-Fabrikanten.

Aussteller von Tennis-, Badminton- und anderen Schlägern, Hockey-Stöcken und Zubehören

Verkauf an alle Sportartikel-Handler.

Drucksachen in Englisch und Deutsch

Stand No. 167, Messhaus Wagner.**FIRMA MECCANO, LIMITED, BINNS ROAD, LIVERPOOL.**

Spielwaren-Fabrikanten.

Aussteller der Meccano Konstruktions-Spielzeuge und Hornby Eisenbahnzüge.

Verkauf an Spielwaren Importeure, Handler, Grossisten und Warenhäuser

Drucksachen in Englisch, Deutsch, Holländisch, Französisch, Dänisch, Norwegisch, Schwedisch und Spanisch.

Stand No. 91-94, Hall VI.**FIRMA ROSE BROS. (GAINSBOROUGH), LIMITED, GAINSBOROUGH.**

Hersteller von automatischen Packetiermaschinen, zur Verpackung von Nahrungsmitteln, Thee, Seifenflocken, Seifenpulver, Kakaopulver, Kaffee, Beeren, Taback, Zigaretten, Blaue, usw., usw. in Tuten und Kartons, und Etikettiermaschinen zum Verschliessen dieser Packungen mit passenden Etiketten Ferner Süssigkeiten-Einwickelmaschinen.

Gezeigt und vorgeführt werden Süssigkeiten-Einwickelmaschinen—die Schneide- und Einwickelmaschine No. 11a Einlagemaschine No. 12a Verbessertes Modell No. 12. Bonbons-Maschine, auswechselbar für Karamellen "C" Model No. 10 S.B.B. Maschine, usw.

Verkauf an Fabrikanten und Grossisten der oben genannten Erzeugnisse. Nach allen Ländern der Welt

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Der Generalvertreter für den Kontinent, Herr W. A. A. Statter, 46, Rue Richer, Paris, wird am Stande anwesend sein. Ev. auch Vertreter aus Gainsborough und deutsche und andere Vertreter.

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THE HOME OF GENIUS.

THE City of Leipzig boasts a proud record of nine hundred years, and its origins, veiled in the obscurity of prehistoric times, are far more ancient still. It has often played a prominent part in history, and has been the scene of epoch-making events. During the intervals between the wars which devastated Europe, Leipzig developed into a centre of civilisation. Not only is it exceptionally rich in art collections and historic places of interest, but it also occupies a foremost place in the intellectual and economic life of contemporary Germany. Leipzig has achieved world fame in connection with its Fairs, and the Book Trade, with Music, Science and Art. Nobody wishing to know Germany should fail to visit Leipzig.

Leipzig is the intellectual and economic centre of the German Midlands. For many centuries past its Fairs have enjoyed universal celebrity; and its fame as a home of art, and of culture generally, has spread far and wide. Numerous foreigners, especially English and Americans, have received their musical education here, for Leipzig justly prides itself, not only on the possession of great traditions, but also on the loving care with which those traditions are maintained and fostered.

THE BIRTHPLACE OF GENIUS.

The name of Johann Sebastian Bach, one of the greatest musicians of all times, is inseparably bound up with Leipzig. At the St. Thomas's Church, of which he was the organist, regular weekly recitals of sacred music take place in honour of his immortal memory.

The concerts in the "Gewendhaus" (Cloth-workers' Hall) have invariably been associated with the names of renowned conductors, the best known of whom, perhaps, was Felix Mendelssohn-Bartholdy, whose statue now stands in front of the building which for many years was the scene of his activity. Right down to the present day the conductors of the Leipzig Gewendhaus concerts—we need only mention the names of Nikisch and Furtwängler—continue to enjoy an international reputation. The Leipzig Academy of Music has long been a world institution.

It goes without saying that the theatres of Leipzig, the birthplace of Richard Wagner, are among the best in Germany.

Leipzig can likewise boast of being the birthplace of the illustrious philosopher Leibniz. In Leipzig too, Goethe, as a young man, received his scientific and philosophical training. It was here that Schiller spent some of his happiest days. Reminiscences of all these events are to be found in Leipzig's wonderful museums.

Leipzig enjoys world-wide fame as a centre of the book trade and graphic arts. Here everything connected with books—printing, illustration, binding, etc.—is produced, and the State Academy for the Study of the Graphic Art and the Book Trade is unique.

The Monument of the Battle of the Nations, raised to commemorate the far reaching event, which in 1813 so decisively shaped Europe's destinies and heralded Napoleon's downfall, eloquently reminds visitors of the important part played by Leipzig in the history of Western civilisation.

Leipzig counts to-day some 700,000 inhabitants. Its numerous hotels and boarding houses provide accommodation suited to all requirements. Leipzig may be reached from London by rail (air) in 24 (8) hours.

BEAUTY IN EXCELSIS.

The City is situated approximately midway between the Harz Mountains and the Thuringian Forest, in the West, and "Saxon Switzerland," in the East. To the South are the Erzgebirge (Ore Mountains) and the Vogtland, both of them equally renowned for their scenery, and for their spas and health resorts.

Leipzig is a very convenient centre for day tours to some of the most interesting places in Germany—among others to Weimar, immortalised by the names of Goethe and Schiller, of Liszt and Nietzsche; to the glorious Wartburg, near Eisenach, the home of numberless legends; to the ancient towns of Erfurt and Wittenberg, where Dr. Martin Luther lived and worked; to the fine old castles on the river Saale; to Dresden, the world-famed historic art centre, to "Saxon Switzerland," the Erzgebirge, and the Vogtland.

From Leipzig direct railway routes go to Berlin, Hamburg, Munich, Vienna, Rome. Leipzig is indeed a centre—the hub of industry, commerce, culture and travel!

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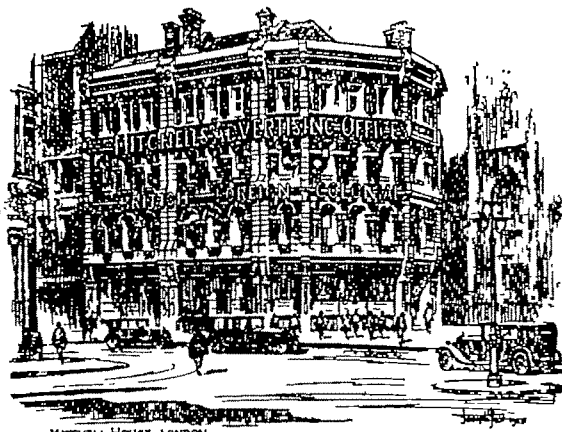
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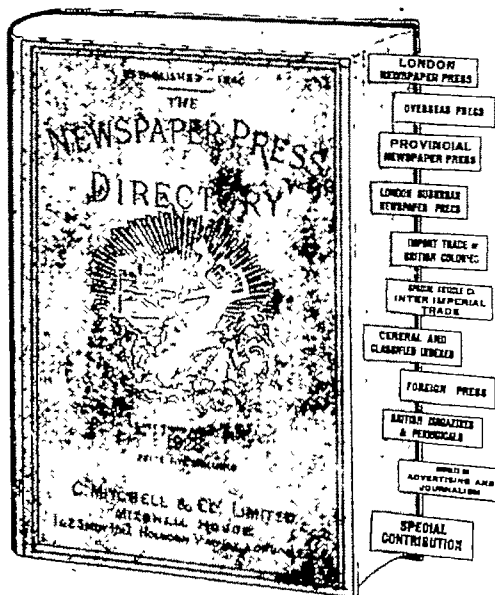
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THE ECONOMIC SITUATION IN GERMANY.

NINETEEN twenty-seven has seen desperate economic struggles in Germany. There was a time when the tide of adverse factors, reflected in the trade balances, unemployment records, etc., seemed to sweep away all that had been built up under great efforts, since those fateful years of the inflation period. Yet, with determination and perseverance the economic aspect at the close of the year, was as favourable as could have been expected.

There were but a few changes at the beginning of this year. The situation in the staple industries is, on the whole, satisfactory, and any decreases may be considered as due mainly to seasonal tendencies, which will be easily overcome, as long as labour disturbances are eliminated.

According to the various German Chambers of Commerce and Industry most German industries appear to have started the new year under very favourable conditions. Several industries report increasing foreign business, whilst the progress of others seems to be hampered by wage negotiations and working-hour questions, which induced the trade and consumers to stock for longer periods, so that now the demand is increasing.

THE PULSE OF INDUSTRY.

The machinery industries are quite well occupied, and in spite of the fact that British firms offer increased competitive resistance in overseas markets, overseas contracts are coming to hand more regularly at present, and in this respect the question of price does not always seem to be the decisive factor; prompt deliveries appear to be much more important to-day. Although in the supplies of railway construction material, German works meet with increasingly severe British competition, it is interesting to note that of late German firms have been able to secure a number of fresh contracts in spite of it.

The electrotechnical industry is busier than usual at this time of the year. Orders are being placed several months earlier. A number of important new Government and Municipal schemes have also contributed to the improvement of the situation.

In the motor vehicle industry, manufacturers seem to be quite satisfied; although sales of passenger cars have decreased, the difference is

easily made good by the increased demand for lorries and omnibusses.

According to the reports of the German Statistical Office, the general purchasing power of the public has increased, which is reflected in the brisk business reported by the textile, boot and shoe as well as general kitchen and household goods trades.

BRITAIN'S SHARE AT PRE-WAR LEVEL.

The repeated discussions on the Dawes Plan, the Anglo-German industrial conferences, and the result of the World's Economic Conference have attracted the attention of wide circles to Anglo-German relations, the improvement of which is in the interest of both countries. With roughly one milliard Reichsmark; British exports to Germany have almost reached their pre-war level⁽¹⁾, and Great Britain has been able to develop her business in Germany, in coal, iron, steel, textile machinery and other products, on very satisfactory lines.

But Germany's policy will be to decrease imports unless she can create an active trade balance by increased exports. So far, Germany has met her obligations under the Dawes Plan almost exclusively by the introduction of foreign capital; this cannot go on. The only sound basis is for her to import raw materials and semi-manufactured goods and export increased quantities of finished products. German industrial circles are therefore seriously concerned with the safeguarding tendencies in England and other countries, and it is feared that, unless German goods can be exported in increasing quantities, the reaction may be disastrous.

SYSTEMATIC RATIONALISATION.

Anyone who has been following German public opinion during the last year or so knows what tremendous efforts have been made toward an improvement of economic conditions, and, while much remains to be done, there is no doubt that Germany has made great progress due chiefly to her conscious and determined tackling of the problems which confronted her. German industries have faced the necessity of finding ways and means of reducing cost of production in order that prices might be reduced for competitive purposes. The word "*rationalisation*" has become a slogan in economic Germany of to-day.

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 and Branches in all leading Provincial Towns.

Powers Accounting Machines, for which Morland & Impey Ltd are Sales Managers, are also entirely British and have no connection with any foreign firm

Organisation, production, management are rendered more efficient; every effort is made to eliminate unprofitable units.

This rationalisation is now being extended to the working of countinghouses and the methods of commercial offices, in order to increase efficiency also in this sphere of German economy, after it has been successfully increased in German production methods.

The labour market continues to improve slowly. Statistics show that of the many newly engaged workers only comparatively few were engaged for purely seasonal work during the months before Christmas, so that the increased employment may be considered mainly due to the general improvement in the economic situation.

Also the bankruptcy figures maintain a low level, which is a very significant improvement. Savings Bank deposits are increasing. The present total is still only a fraction of the pre-war total, a clear sign that the impoverishment of the middle classes during the inflation period has still its after effects. But it is expected that increasing income will remedy this within a reasonable period.

The British Commercial Attaché at Berlin, in his recent economic report, expressed his confi-

dence in the stability of the German currency as well as of the German money and credit market. He states that the large scale rationalisation, the formation of trusts and the tendency to combine have produced such a cheapening of production that the increase of wages increased the purchasing power in the home market without in any way affecting Germany's foreign trade.

Financiers and politicians cannot control the real potentiality of 63 million healthy people, and it is the merest folly to suppose that Germany's part in the future of Europe is not going to be a very influential one. At present there is every reason to believe that it will also be a beneficent one. The contact between England and Germany is of the highest importance.

Business circles in Germany view with great satisfaction the recently made agreement between Germany and Poland, and with the Franco-German trade agreement. These two developments are regarded as matters of special significance for the promotion of German Trade.

With reduced unemployment and easier conditions in the money market Germany will attempt to remove the last traces of the disastrous post-war period, during the present year, and in German economic circles great value is attached to a closer and more effective co-operation between Germany and Great Britain.

Groupage Service

VIA
BREMEN HULL

TO
MIDLANDS & NORTH OF ENGLAND.

Silk and Art Silk Goods for Manchester conveyed
 in Locked Trucks for clearance at destination
 Lowest Rates Quick Service

RICHARD BOAS,
 2 Herdentorssteinweg,
BREMEN.

STOCKWELL & Co., Ltd.,
 Britannia House,
 Mytongate, **HULL.**

Sammel Verkehr

ÜBER
BREMEN HULL

NACH
MITTEL UND NORD-ENGLAND

Für Manchester bestimmte Seiden- und Kunst-
 seiden- Waren werden in verschlossenen Waggons
 befördert und ihre Auslieferung am Bestimmungs-
 orte abgewickelt

Niedrigste Frachtsätze

Schneller Dienst

Selling British Goods in Germany.

There is still a great deal of misconception about the selling possibilities of British goods in the German market to-day, but looking at this serious question from the other side, it seems that British firms generally ignore German customs and requirements, and peculiarities in trade and consumer circles.

An inspection of the better class shops and department stores in the large German cities gives ample evidence that the demand and, of

Textile goods, sports goods, leather and leather goods, machine tools, and special machinery, paper, and, of course, all raw materials and semi-products, yarns, suitings, cotton goods, furnishing fabrics, etc., etc.

A WIDE FIELD.

When dealing with Germany it is imperative that the manufacturer should study the market, which is very extensive. Germany covers an area of 470,628 sq km., and has a population of

Münchener Zeitung
Die Propyläen - Bayerische Heimat - Aus dem Volksleben - Jugendheimat

Munich 2 P. Z. Circulation 110 000

Indispensable advertising organ
 for Greater Munich and surrounding
 districts. * Popular family publication *
 Leading sporting newspaper

The largest
 noon publication of Southern Germany

course, also the sale of British made articles is increasing considerably. Indeed, British goods are much in favour, and are certainly preferred to goods coming from France and America

WHAT TO SELL.

There are certain staple lines, in which British houses can do good business in the German market, and this must be realised. We can never attempt, nor expect to sell all our manufactured articles to that market. Germany is first of all a buyer of raw materials and semi-finished goods from Great Britain, and it is only in certain lines of manufactured articles that business can be done, and the most important of these are the following:

63,180,619, of which 30,584,823 are males, and 32,595,796 females. The working population amounts to 51.3 per cent of the total, or 68.0 per cent males, and 35.6 per cent females. Only 4 million people live in Berlin. Hence our first advice: *Do not think you are selling to Germany when you concentrate your efforts on Berlin.* Unfortunately, this is an error which most British manufacturers commit. They concentrate their efforts on Berlin, or Hamburg, or Frankfurt, which cities are not at all to Germany what London, Manchester or Birmingham are to England. In Germany, the population of the many good-sized provincial towns, such as Dresden, Hanover, Munich, Nuremberg, Cassel, Cologne, etc., worries little about Berlin. They

have their own economic problems in their own economic centre, and it may be added that these provincial people are, on the whole fairly well-to-do, and constitute, therefore, consumer classes with a comparatively high purchasing power. Their needs, too, are not satisfied so excessively as those of the Berliners, who have their modern department stores, and all manner of opportunities to spend money.

ORGANISED EFFORTS.

The wholesaler and dealer in the provinces does not like to be dependent upon an agent residing in Berlin. He certainly realises the advantages of an English firm's general representation established in Germany, but he also realises that these general agents should pay more attention to the provincial areas, and not merely fill a demand when it comes along

Take some of the British firms who work in Germany to-day. They invariably advertise very heavily in the Berlin papers, quite ignorant of the fact that this method will never create national distribution in Germany. There are no national newspapers in Germany, such as we have in England. To create a demand and sales in the provinces, it is essential to concentrate efforts on these districts.

To give an example: Cologne, as the centre of the Rhenish provinces, requires distinctly separate action on the part of the British manufacturer. He will have to use Cologne papers to advertise, and he will have to make a distinction between advertising media which are read by the well-to-do middle class, business men, professional men, manufacturers, and the upper classes generally, and those read by the working class and the general middle class people. German publishers know why they often issue two separate papers, such as in Cologne the "*Kölnische Zeitung*" for the better class people, and the "*Stadtanzeiger*" for the middle and working class population, and the "*Kölnische Illustrierte Zeitung*", an illustrated weekly, mainly a family and woman's paper, read throughout Rhenish-Westphalia. Berlin or Frankfurt papers could not sell your goods here.

Also the employment and unemployment figures show that it is worth while to pay more attention to the provincial areas. Whereas in the chief industrial areas and big cities unemployment was 77 per thousand towards the end of last year, it was only 27 per thousand in the more or less agricultural provincial areas and provincial towns.

NOISE DESTROYS NERVES



Why BANG your way through
your correspondence when
you can glide swiftly and
noiselessly through it
with the aid of

a

Remington- Noiseless Typewriter.

You will get Remington strength
and reliability—*plus the quiet*
you have always wanted.

Efficiency first

CALL UP THE NEAREST
REMINGTON OFFICE FOR HELP

THE TEN COMMANDMENTS.

The chief points to be followed in dealing with the German market may be expressed by the following "Ten Commandments".

(1) Divide Germany into at least 12 sectors, study each area individually and treat it individually.

(2) Deal with Germans in German, although many speak English; needless to say that your catalogues and other sales literature should be in German.

(3) Go and see your German customers and prospects; Germans are always anxious to discuss business in detail.

(4) Answer letters by return of post; Germans are impatient in business matters; competition at home is severe.

(5) Quote prices in Reichsmarks, and weights and measurements in kilogrammes and metres.

(6) Adjust the terms of payment with the greatest liberality, and do not alter them, once confirmed.

(7) State exact time of delivery required for your goods, and supply earlier rather than later.

(8) Let quality and service talk; they will outweigh the price question if you have quoted as low as you can.

(9) See that stocks of your goods, spare parts and accessories, etc., are obtainable in Germany. People will not buy goods unless they know service and up-keep are assured.

(10) Create a trade mark, advertise it extensively and make your goods and their quality known by it.

SPECIFIC DEMAND.

As for raw materials and semi-manufactured goods, manufacturers and exporters should concentrate on the industrial centres in which these products are being used.

We have received many reports from Offenbach for instance, where leathergoods are made, and we understand that there are only one or two British leather manufacturers working that district, whereas many more could secure good and regular orders if they chose to operate there.

Then there are the many classes of textile goods. We frequently receive enquiries from well-established textile agents who are anxious to represent British houses for cotton goods, suitings, knitted wear, yarns, etc., but it seems difficult to interest manufacturers sufficiently to take steps to secure the business available. The disinterestedness that is shown on the part of many manufacturers is appalling. We ask ourselves why this is so!

POINTS WORTH NOTING.

Great Britain ranks third as a supplier of goods to Germany, although she is Germany's biggest customer. There is no reason why, with proper merchandising methods and a proper understanding of the German market and its requirements, Britain could not become Germany's biggest supplier as well.

If, according to certain publicity matters circulated in England, the German per capita figure for imports from Great Britain is only 14s. 3d (quite apart from the fact that the volume is the figure which counts), there is all the more reason to make efforts to increase this figure, because it is still far removed from the saturation point. With more selling efforts put behind British goods in Germany, the German per capita figure could easily be trebled.

After all, this is a potential market at our very door, which should be given as much attention and cultivation as the Antipodes or Malaya.

Advertising British Goods in Germany.

It is evident that all advertising, in common with the editorial part of any publication, is adjusted to the requirements of time and is influenced by these, must be subject to constant change and fluctuation, a fact which can be observed particularly clearly with German Advertising and its forms of expression.

When German publicity began to develop with force, at the beginning of this Century, it was its artistic form which attracted the attention of the world. It was not the high art, in the sense of "*l'art pour l'art*", which we admire in the works of some foreign artists, such as Toulouse-Lautrec, Steinlen and others, but the practically applied advertising art of Bernhard, Hohlwein, etc. Advertising in Germany was almost completely suppressed by economic difficulties, during the war and inflation period from 1914 to 1923, but immediately the German currency had been stabilised, German advertising made fresh and powerful strides ahead.

SOUND "COPY" POLICY.

The critical observer to-day will find that German advertising stresses the importance of correct psychological adjustment, without, of course, neglecting the value of the artist's means of expression. In this respect German advertising men have undoubtedly learned a great deal from American and English advertising, just the same as, on the other hand, German commercial art is highly appreciated abroad.



The German Advertising Association,

Verband Deutscher Reklamefachleute E.V.,

BERLIN, W.35.

Magazines :—

"Die Reklame."

"Eil-Nachrichten."

Excellently produced
advertising literature,
twice monthly, free to
V.D.R. Members.

V.D.R. Advertising Handbooks, and
Directory of the German Advertising
Profession and Industry.

We can put you in touch with the best
German Advertising men and Commercial
Artists, Manufacturers of Advertising
Novelties, and we give every information
promptly and without charge.

For information apply to our London Delegate :—

Mr. C. W. FRERK, 61, Effra Rd., London, S.W. 2.

Whereas in the early days of German advertising the pictorial-artistic side was emphasized, to-day, compelled by the greater number of advertisers and by the effective publicity of many big firms, everything possible is done to attract the passer-by and reader by the most convincing methods and means. For this reason greater attention is now being paid to the "copy", that is the text of advertisements. This particular section of advertising is, on the one hand, extremely important, but also, on the other hand, exceedingly difficult in Germany, because the German language is an instrument, even the thorough mastery of which is everything but easy. In this connection it is rather interesting to note that a number of German advertisers are to-day adapting their advertising "copy" to the various different territories and provinces of Germany, printing the text in the various dialects, and thus adjusting the advertisements to the peculiarities of the population of each district. This very fine adjustment in advertising is, from a psychological point of view, of particular importance in Germany, because there are in that country a number of economic centres the populations of which differ from one another in many respects.

All these points tend to show that German

advertising men and the German advertising agencies play an extremely important part in German advertising, as they alone can know these various difficulties and differences, which they take into consideration when advising their clients. It is obvious, therefore, that British firms who intend to advertise in Germany, can benefit greatly by the services of a reliable and experienced German advertising agency, because to the foreigner, the penetration of those fine points of the German language, of the idiosyncrasies of the population of the various parts of Germany, and of the various German commercial usages, is extremely difficult even if he has resided in Germany for a number of years.

It is not so long ago that most of the German advertising agencies were engaged merely in the placing of advertisements in newspapers and periodicals, although they would, according to their individual experience and capacity influence the text or illustrative matter of advertisements, in an executive or more or less advisory manner. Of late, the leading German advertising agencies have reorganised their business on the basis of advertising service agencies; they carry out the planning and execution of complete campaigns and of all details in any advertising scheme. Among those German advertising agencies, who

Advertising in Germany

HANS KEGELER

VDR VDAE DWK

BERLIN S.W. 68

Charlottenstrasse 15

ADVERTISING AGENCY

*Recognised by the "Verein Deutscher Zeitungs-
Verleger (The German Newspaper Proprietors'
Association)*

**Complete Advertising Campaigns planned
and executed**

have successfully carried through this reorganisation we may mention the Annoncen-Expedition Hans Kegeler, of Berlin, S W. 68. This agency, which enjoys an excellent reputation throughout Germany, is now acting on behalf of both German and foreign advertisers. For this purpose they have engaged leading German advertising men, copy-writers, artists, etc., in order to be able to put their clients' advertising on an efficient and successful basis.

As the barriers between Germany and England gradually fall, the demand for British goods in Germany is rapidly increasing; Anglo-German commercial relations become more active every day. But British firms are strongly advised to pay special attention to their German advertising, to make it suitable to act convincingly on those people whose custom is sought. The excellent English advertising, which is undoubtedly very effective in England, is generally doomed to failure, if merely translated into German. Every country has not only its own language, but also its own psychology, which it is very essential to take into consideration in every attempt at selling and advertising.

"ADAPT, ADOPT, IMPROVE."

British advertising and advertising methods are good, but they must be adapted to the German market, because, although the basic theories and doctrines of British advertising hold good for German conditions, design, lay-out and "copy" will have to be vastly different, if the publicity is to be successful with the German mind.

There is a strong movement towards a rational adjustment of all advertising to the big economic tendencies, to a concentration of organised gigantic display, disappearance of small, insignificant motives, and the creation of powerful, effective uniformity with strong individual expression, from the internal purpose and object, for the benefit of the whole.

The erection of a large number of new, permanent and modern Exhibition Palaces, the increasing number of advertising monuments and kiosks at Leipzig and other cities, under the guidance of Germany's foremost architects and artists, is proof of what has been said above. The same tendencies are expressed by the German typographer and printer; he too makes great strides in speaking the most powerful type-language with the most simple type-forms: bold, impressive, of enormous reminder value.

Individuality of the advertiser need never be lost with these means. Indeed it will be enhanced by the boldness of these methods, the principle of *artistic, yet individualised uniformity*.

No small credit is due in respect of these tendencies and efforts to the *Verband Deutscher Reklamefachleute*, the German Advertising Association, and its 23 branches and 5,000 members. The V.D.R. is the recognised German link in the Continental Advertising Association, the foundation of which was laid during the Advertising Convention at Olympia last July. Good work is done by the V.D.R. to educate the business men to the true appreciation of what constitutes good and successful advertising, by research, by wireless, by lectures, and other means, and it is also the object of the V.D.R. to help and advise also British advertisers on advertising matters as they affect the German market and the German public.

A PAGE OF USEFUL ADDRESSES
WILL BE FOUND ON p. 3 of COVER

The Importance of the German Provincial Press as Advertising Media.

It has already been pointed out that Berlin does not occupy the same position in Germany as London in England, and Paris in France, two cities which command a position embodying the principle of centralisation.

The German capital ranks, of course, first among all German economic centres, having the largest population (4,027,165), and being the seat of the greatest number of Administrative Authorities; yet, Berlin cannot attract all those elements of economic life which are represented in Germany's numerous large cities. That is, after all, quite a good feature. Goethe has already said in this respect: "*The unity of Germany is not constituted by one capital for the large Empire . . . To assume that it is so, would be wrong! Think of such cities as Dresden, Munich, Stuttgart, Cologne, Cassel, Braunschweig, Leipzig, Hannover, and the effects and influences originating from these . . . would they remain what they are, if they were embodied in one big Empire, merely as provincial towns? . . . Certainly not! . . .*"

Just as any entity is composed of many items, so the German Empire consists of its various essential parts, the different Confederated States. This is a political as well as cultural necessity, emphasised by the different structure of each state, and its resident population. If one realises this, it can easily be understood why the im-



*If you have 50 letters a day,
the Standard Envelope Sealer
will pay for itself in one year.*

The Machine which is used all
over the World by Government
Departments, Banks, and large
and small concerns generally.

The most widely used machine of its kind on the market. Seals simply, safely and cleanly. Motor or hand models for every Mailing need. All models except Junior F equipped with famous Standard Suction-feed moistener. **Models from 10 Guineas.**

STANDARD MAILING MACHINE Co.

Faraday House, 8-10 Charing Cross Road, London, W.C. 2.

AGENTS WANTED.

'Phone Regent 6866

portant, and in many cases world-wide known Berlin dailies cannot possibly replace the large provincial press of Germany. What may be possible in England and France, is absolutely futile in Germany, considering the division into several independent economic areas, with their special requirements, and the individual features of their population. Hence, the advertisement section of the papers with large circulations, especially in Western and Southern Germany, is of decisive importance to the advertiser who wishes to reach these classes of the German population. It is impossible to open up new markets in Germany, without the use of the provincial press, because the provincial population gives its confidence only to the press of its economic area, and no advertising can be successful without this reader-confidence.

To give one or two examples:—

BAVARIA with 7 million population, is so independent as a German economic and cultural area, that it has been, compared with other areas,

little affected by industries, because it is a definitely agricultural territory in character. Whilst little affected by the advance of industrial development throughout Germany, this area enjoys an extremely important tourist traffic. It is evident then, that Bavaria requires industrial products more than any other German territory, because only a few of these are manufactured there. This increases the importance of the local press and its advertisement pages. The local press alone is in close touch with the population, and has its confidence, which the big papers of the capital, however wide their distribution may be, will never be able to attract. Obviously, advertisers who wish to sell in Bavaria, will have to make use of the Bavarian media.

The "**Münchener Zeitung**" (Munich Gazette) is, in Bavaria, one of the most important and most widely circulated dailies, and at the same time the **biggest mid-day paper of the whole of Southern Germany**. Its circulation is 110,000 copies daily, of which 80,000 are sold in greater

Erratum:—The price of the Standard Mailing Machine Co's letter sealer was given last month as £16. Buyers please note correction—**£16 16s.**

BEST OF ALL

Columbia

RIBBONS AND CARBON PAPERS

**For every need
and Guaranteed**

From all Dealers and Stationers, or
COLUMBIA RIBBON AND CARBON MFG. CO., LTD.
Classic House, 22 Bush Lane, London, E.C.4.

Munich, the rest being read throughout Bavaria. If one takes into consideration that Munich has approximately 180,000 households, it follows that 45% of the population, i.e., almost half, read this paper. The readers are among all classes of the population, in industry, trade, among tradesmen and householders. To reach these, and to create sales and distribution in the South German market, it is essential to make use of the "Münchener Zeitung"

RHENISH WESTPHALIA is another of those German economic areas which require distinctly separate treatment. With a population of 12 million, Rhenish-Westphalia occupies an extremely important position in Western Germany, worked most successfully from its economic centre, Cologne, which has a population of 700,250, and is one of the best known, the most beautiful, most enterprising and progressive cities in Western Germany. The district combines, in character, the advantages of industrial concentration, and those of traffic and tourist facilities and attractions

During 1928, Cologne will be the destination of millions of travellers from all parts of Germany and the rest of the world, in view of the big International Press Exhibition "**PRESSA**," which will be held there from May to October—an outstanding event in the affairs of the press, printing, and advertising.

IMPORTANCE OF COLOGNE.

It will be worth while to concentrate marketing efforts on Cologne during this year, and one of the best media to be used for this purpose is the "**Kölnische Zeitung**" (Cologne Gazette), which has a circulation of 140,000 copies, reaching the business men, manufacturers and the better middle classes and upper classes of the population throughout Rhenish-Westphalia. The publishers of this important daily publish, in addition, a local edition, the "**Stadtanzeiger**," with a circ-

lation of 136,000 copies, reaching particularly the middle and working classes of Cologne and its area. A third and very important publication, an excellent advertising medium, going into most households throughout the territory, and essentially a family and woman's paper, is the "**Illustrierte Kölnische Zeitung**" (Illustrated Cologne Gazette), a most successful weekly, which has grown within a few years to a circulation of 240,000 copies. How important the Rhenish-Westphalian area is as an economic territory and market, will be demonstrated, during the International Press Exhibition, by the publishers of the above-mentioned publications, who will issue a special economic survey of the area, entitled "**Presse und Wirtschaft**" (The Press and Economics), a magnificent publication, printed entirely by the rotogravure process.

The importance of the German provincial press, as distinct from the Berlin Newspapers, is emphasised by the **Allied German Provincial Newspapers** (Ringgruppierung führender deutscher Provinzverlage), a group of some 16 German provincial newspapers, which have combined for more effective service to advertisers and prospective advertisers, with a Market Research Service Department which is to-day recognised throughout Germany, as the most progressive and most valuable newspaper enterprise.

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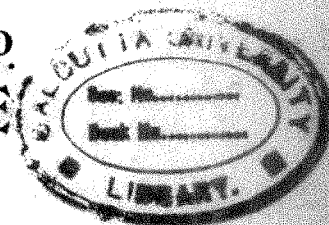
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**TRADE & TECHNICAL
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BRIDEWELL HOUSE, BRIDEWELL PLACE,
LONDON, E.C.4.

CATCHING THE GOOD IDEA

Famous Novelist's tribute to THE DICTAPHONE



A PLAYWRIGHT of distinction, a novelist whose amazing output is the admiration and wonder of everyone, an accomplished journalist and special correspondent, Mr. Edgar Wallace is one of the most popular authors of to-day. He has seen life from many angles and in many lands, and has described it for millions of readers wherever the English tongue is spoken.

Ideas, naturally, are his stock-in-trade, the bases on which he weaves his fascinating stories and plays. To him, as to every popular author, ideas are of supreme value. A good idea lays the foundation of a great story or a great play.

To the executive man in business, the good idea is as important as it is to the popular author; it may be the foundation of a big commercial success. In fact, practically all big businesses owe their inception to a good idea, one of those stray flashes of inspiration that come no one knows whence.

Yet how many good ideas are forgotten and lost in the course of a year's work! They come into the mind unheralded, often intruding upon the consideration of some subject to which they bear no conceivable relation. Unless they are instantly noted, there is a danger that they will be forgotten. But to make a prompt note of them usually means an interruption of the work in hand, and only too often our memory plays us false: the good idea is lost and is never found again.

How to make sure that no good idea shall ever be lost—that is a problem that applies with as much force in business as in literature.

For Mr. Wallace the Dictaphone has solved the problem: *The Dictaphone is indispensable as a recorder of ideas.*

With the Dictaphone at hand no good idea can ever be lost. No matter what the work in hand may be, the Dictaphone instantly seizes upon the good idea, crystallises it in permanent form, safe from forgetfulness or neglect. It may not be dealt with or developed for days—perhaps for weeks or months—but once committed to the Dictaphone it is always ready to be brought into operation when the psychological moment arrives.



—Mr. EDGAR WALLACE—
the famous novelist, journalist
and playwright, who says:

"I have used a Dictaphone for twenty years and during that period I have dictated millions of words to the machine—correspondence, newspaper articles and stories. It is indispensable as a recorder of ideas that occur to one."

This, however, is but one side—a very important side, it is true—of the Dictaphone's many activities. Mr. Wallace's letter illustrates another. "I have used the Dictaphone for twenty years," he says—the Dictaphone is no new, untried device—"and during that period I have dictated millions of words to the machine."

Few business men, of course, rival, or need to rival, Mr. Wallace's amazing output of dictation, but in most cases dictation forms a substantial part of the day's work, and there is no method of dealing with it so speedily, cheaply and efficiently as the Dictaphone.

You know how, when your Secretary is away—ill, out at lunch or on holiday—your work is hampered and delayed. No substitute, however good, is quite so efficient as the original. Things go wrong, time is lost, mistakes give rise to exasperation and expense.

If you have the Dictaphone, your secretary is never absent. Your work is never delayed. The Dictaphone is the most efficient of secretaries; it is always there, always waiting and ready for work at a moment's notice. Silent, automatic, speedy and absolutely tireless, it deals with every scrap of your dictation—a ten-word memorandum or, again to quote Mr. Wallace, "million of words"—with equal ease and certainty. It cannot make mistakes, it cannot forget, and, better still, it will not permit mistakes or forgetfulness in others, yourself included.

To the executives of any business, large or small, the Dictaphone is an invaluable assistant. It is constantly saving time and labour. It eliminates entirely all the errors, delays and worries inseparable from the shorthand method of dictation, and in its operation it is so flexible and adaptable that it fits smoothly and easily into the detail work of any business.

Unlike most office labour-saving devices, the Dictaphone's economy is most evident where it will do most good, for it saves the time and increases the efficiency of the highly-paid executive men, the most valuable in the entire organisation. That is its chief appeal to the business man who realises the real value of his executives, the men who think and plan and organise the undertakings to be carried out by subordinates. To save the time of those men is indeed a great achievement.

Let us tell you more about the Dictaphone. Sent a postcard or telephone to-day (Regent 1460), and let us send you the fascinating booklet, "The A.B.C. of the Dictaphone." It will show you how the Dictaphone will help you as it has helped thousands of others.—The Dictaphone Co., Ltd., Kingsway House, Kingsway, London, W.C.2.

Business Organisation Magazine

*A Monthly Magazine devoted to the Organisation,
Management and Administration of Industry and Commerce.*

Edited by FRANK TOZELAND.

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MARCH, 1928.

No. 6.

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which are invited, must be fully educational and embody "Convertible Ideas." Only first-class matter accepted. Typescript essential, accompanied by stamped addressed envelope.

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The submission of copy early in the month is strongly urged, to enable the Editor to give full effect to the policy of the particular service characteristic of the magazine.

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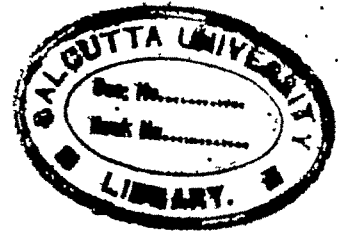
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Editorial Notes.

Are Directors Too Old?

THE recent annual meeting of the Southern Railway Company has revived this hoary poser in an acute form. A shareholder publicly voiced his complaint that the Board of Directors, whose average age is 67, were too old for their job. The Chairman made a spirited reply, but of course the answer to the question is, it depends entirely upon the man. Many unfortunate individuals at 30 have a highly developed inferiority complex. They are useful assistants, punctual, conscientious workers, but responsibility afflicts them with a sort of mental paralysis. On the other hand, we all know septuagenarians whose minds are as hard and brilliant as diamonds, shrewd and full of "drive"—dynamic personalities whose mere presence is a physical tonic. The late Lord Moulton, the famous chemist to whose genius we owed so much during the war, was such a man. He was never known to mount a flight of stairs at less than two at a time until he was long after 70. Sir Hugh Bell, iron-master, railway director and colliery owner, is at 84 another and happily living typical example. Others are Lord Inchcape, the shipping magnate, who is 75, Sir Robert Perks, 79, Sir G. A. Wills, 73. The psychologists tell us that very few men ever exceed a mental age of 15. But these veterans add to the wisdom of mellow age the vitality of almost perennial youth.

Workmen's Compensation.

THE effect of the Coal Stoppage is clearly reflected both in the smaller number of cases under the Workmen's Compensation Acts and the Employers' Liability Act, 1880, and the decrease in the total sum awarded. Final statistics just published covering the seven principal groups of industries, viz., shipping, factories, docks, mines, quarries, constructional work, and railways show that the total number of cases for 1926 was 370,908, of which 2,345 were fatal. The amount of compensation paid was £6,006,921. In 1925 the total cases numbered 476,085, 3,030 of which were fatal, and the amount paid was £6,642,930. The cases in the mining industry in 1926 decreased by 83,174 as compared with the previous year. The total amount of compensation represents only the actual amount received by workmen or their dependents, not the total charge on the industries. If administrative expenses, medical and legal costs, and other charges incurred are added it is estimated that the total would be increased to £7,850,000, while the

estimated amount of £3,550,000 paid in other industries not included in the report would bring the grand total of the cost of Workmen's Compensation to approximately £11,400,000.

Fire Losses in 1926.

LOSSES by fire throughout Great Britain and Ireland during the past year are estimated by the Times to amount to £6,495,000, and show a reduction of £809,000 on the corresponding losses in 1926, which were £7,304,000. December was a particularly costly month for fire insurance companies. Many important outbreaks occurred, representing a loss of as much as £1,013,000. This compares with £580,000 in the previous month, and £561,000 in December, 1926.

Causes of Business Failure.

OF the 20,267 business failures in the United States last year 81.5 per cent. were attributed to personal causes and only 18.5 per cent. to non-personal causes such as crop failures, trade depression, etc. This is the considered judgment of a group of American economic experts who have been investigating the problem of failure in business. It seems that 34.9 per cent were due to lack of capital, 34.5 to personal incompetence, 5.2 to business inexperience, 3.6 to fraud, and surprisingly enough, only 2.4 per cent. were attributed to increased competition. Similar figures for this country would be extremely interesting, but unfortunately they are not available. It is certain that the personal factor plays a much greater part in business success than is generally imagined. An ounce of grit is still worth a ton of influence, though it must be admitted that in combination the two are well-nigh irresistible.

The Basis of Goodwill.

MANUFACTURERS should never forget that money spent in advertising is really sunk in the intangible asset of goodwill, and goodwill is ultimately based on quality. Without a quality backing all the advertising in the world will not promote goodwill. On the contrary, it will create ill-will, because consumers who have been inveigled into buying by attractive advertising, and who find the goods are not up to standard, will resent the fact that they have been misled. Goodwill therefore begins in the factory, though it should ultimately lodge in

the mind of the consumer. Sir Harold Mackintosh, head of the famous toffee manufacturing firm at Halifax, appreciates this truth, and at the dinner last month of the Incorporated Society of British Advertisers, at which he was the guest of honour, he described how the company brought it home to their employees. In every room in the works the advertisements of the company were posted with a notice to the effect that that was what they claimed their goods to be, and it was up to the employees to see that they were up to standard. This is a good idea and other manufacturers could adopt it with advantage. Quality may not give a "quick-turn" profit, but it pays fat dividends in the long run. To every manufacturer it might be said, the quality of your goods, and therefore the goodwill of your business, is in the hands of your employees, see that they realise it to the full.

* * *

Languages.

THE degree of isolation incurred by the average Britisher's inability or disinclination to learn the languages of other people shows welcome signs of giving way to the more healthy condition of expansion. Reports from the various Language Schools which have from time to time associated themselves with our Language Section prove that whereas French was at one time chiefly in demand, the requirements of students are now spread over the three languages of German, Spanish and French. This is all to the good. Even a great daily paper deems it of some advantage to institute its own method of instruction in the use of simple phrases for the better use of its readers' time whilst travelling to and from the City, albeit our Language Editor has some rather critical remarks to make concerning this particular form of enterprise. We gladly mark it however and trust that it may lead a percentage of the readers of the daily paper in question to the more serious study of Languages as advocated by our Language Section, and as given so ably by the leading London Institutes. Great Britain has nothing to lose and everything to gain by concentration on this much neglected form of education and aid to commercial success

* * *

The Wisdom of Accuracy.

THE position needs handling with great care, however, enthusiasm for the newly manifested desire may easily lead to wrong conclusions and the student is well advised to seek responsible direction. In the London Chamber of Commerce Journal, Mr Ernest G. V. Clark, Principal of Clark's College, rightly emphasises that "*too often it happens that valuable business*

is lost through a lack of knowledge of languages, and of those who are potentially good customers of English products. Unfortunately this valuable injunction is coupled with a generalisation which indicates that enthusiasm has out-run judgment. The conclusion appears to be reached that Spanish is the pass-port to a command of South American trade. South America is a very large portion of the Western Hemisphere. The largest and certainly the most important of the countries comprising it is Brazil. It would be interesting to see the Order Book of a representative who spent some months in Brazil using Spanish compared with that of his confrere who used Portuguese both in conversation and literature. Dr. Azevedo Amaral, Foreign Editor of O' Journal—a leading Brazilian organ—writing in Business Organisation Magazine upon British opportunities in Brazil in September 1926 stated "*and in this respect I should like to point out that in the matter of languages there are no substitutes for Portuguese, which is the language spoken throughout the length and breadth of Brazil. Spanish will not do, it may be much like Portuguese to the English ear, but in reality it is an altogether different language. The success of the German Trader and where he scores over his English competitor consists in his having grasped from the beginning this very simple, but essential truth.*" We are not concerned with criticism for criticism's sake but the present competitive age does not admit incomplete knowledge as a factor in success. Foreign business is still an uncharted sea to many men, and it cannot afford that such information as is available shall be obscured. British business is being urged, by the press of events to everwidening expansion, and has the right to demand something more than inaccurate generalisations and one of the most common of these is the assumption that South America is a unit so far as language is concerned. It is not. The Brazilian will not use Spanish if he can avoid it and it is an elementary principle of salesmanship to induce a favourable state of mind in the prospect when first making contact.

* * *

Reciprocal Buying.

MR. CLARK does a real service however in calling attention to the competition with which British traders are faced in South America. This is not a matter of the mere selling of goods. In the Argentine alone there is invested £800,000,000 of British capital, and Great Britain is far and away the best customer for Argentine's staple products. The most influential association in that country, representing

the Agricultural and Live Stock interests, has adopted a far-reaching slogan, "Buy from those who buy from us," which in plain English means, buy from Great Britain. The Argentine sells to Great Britain almost four times as much as Great Britain sells to her.

* * *

More Direct Trading.

AT present the Argentine is one of the principal foreign sources of our food supply.

If the envisaged possibility of competition for the purchase of the world's food products should ensue, accelerated by the transition from agrarian to industrial conditions of many of the countries of the world, and the result find other nations becoming larger purchasers of Argentine's food products, the principle embodied in the slogan might develop a serious significance for Great Britain. The present situation is one of commercial disequilibrium, which calls for the creation of a larger amount of directly reciprocal British export trade to the Argentine, instead of the dependence upon the problematical development of triangular trade currents. In spite of the expressed desire on the part of Argentina to buy British goods, the study of local preferences and tariff minutæ and other subtle points by German, French and Italian houses, are inducing factors in the sales which make the position very difficult for those interested in the sale of British Goods. It is asserted too, that freights are much higher from British than from American or even Continental Ports. Chambers of Commerce in Great Britain have a duty to perform in these matters but whatever work they undertake in this direction will be nullified unless backed by solid membership support representative of all trades concerned.

* * *

Shilling Deferred Shares.

ADDRESSING the London members of the Institute of Chartered Accountants in January, Mr. P. D. Leake drew attention to certain abuses connected with shilling deferred shares, and inasmuch as the issue of these shares has become very fashionable of late with company promoters, his remarks are important to investors. It was suggested by some financial authorities that infinite harm was being done to serious investment business by misuse of the device of shilling deferred shares, but Mr. Leake said they should not be wholly condemned merely because they were capable of misuse. It was certainly a disadvantage that they appealed very

strongly to the gambling instinct. A remarkable fact relating to the issues formed to take over established trading concerns was that the majority included large amounts representing the value of goodwill among the assets purchased from the vendors, who at the same time took the greater part of the issues of shilling deferred shares. In these cases it seemed either that the vendors, although purporting to have sold the goodwill, would yet still continue to enjoy the benefit of the greater part of it, or else that the schemes were very obscurely drawn. A further practice open to grave criticism was in regard to the distribution of the voting power in such undertakings. Those who provided and risked the capital required to carry on an undertaking should, as a general rule, retain the balance of voting power. An examination of the prospectuses of these shilling deferred share issues showed that the effective voting power was too often placed in the hands of the holders of the deferred shares. There was, however, added Mr. Leake, certain sound and useful aspects of shilling deferred shares, and provided that the issue was equitably apportioned between the vendors and the purchasers, and that the latter retained the majority of the voting power, the method had much to commend it by avoiding the undesirable practice of the heavy capitalisation of purchased goodwill. The capital represented by shilling deferred shares was small in amount, and therefore the vexed question of writing off the cost of purchased goodwill, which would appear in the balance sheet at a merely nominal figure, became unimportant. An equitably apportioned issue in which the holders of shilling deferred shares became entitled to future super-profits, as and when these were available, was obviously a fair arrangement between purchasers and vendors.

* * *

"Fret not Thyself . . ."

THAT particular form of gratification, dear to the editorial heart, has been notably exemplified since the publication of the February issue. A number of readers have expressed their appreciation, and in some cases admiration of the production, and it is, in their opinion and that of many others, who are even more notable as critics than appreciators, the high water mark of Business Organisation Magazine reached so far. Our readers may rest assured that this is merely a stage in development. The Magazine will ultimately realise our intentions towards it and become the "*Aristocrat of the Business World*," Some of our readers have mingled

with their appreciation some degree of apprehension because a contemporary has chosen to take unto itself a change of title which in those readers' eyes is liable to confuse it with B.O.M. They have further asked us what steps we propose to take to remedy the situation. Our reply is simple. None. Our friends' zeal is much appreciated and says much for that esprit-de-corps which we have striven so earnestly to cultivate since the Magazine came under the present administration, but they need have no fear. *No one is ever likely to confuse the contents of B.O.M. with those of any other business journal. We take full care of that.* Our readers may read into that just what they like. As for the name—well, what's in a name—nothing except what it actually represents, which is, we take it, the true function of a name. Our readers may rest assured that B.O. which is run entirely in the readers' interest, will yet reach a stage of development both in its character and services, which will surpass any other business journalism on the market. We write of what we know. Our plans are not for to-day only, nor even for the morrow. Always we have taken the long view and never more so than now. Again, to our readers, grateful thanks.

* * *

"B.O." Financial Service.

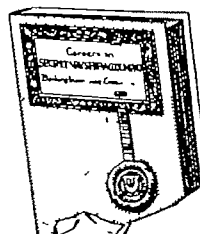
In our December issue of last year we referred to a Financial Service which had been inaugurated some time previously and which had arisen out of readers' requests for service. This side of our organisation has, within recent months, developed out of all expectation and the Service is now handling Financial transactions of considerable magnitude, individually and in the aggregate. One which is running at the present time amounts to half a million sterling. A large proportion of the readers of B.O., as is well known, are principals and we invite them to submit sound propositions for our consideration and advice and under correct conditions, definite assistance. Naturally everything is conducted in the strictest confidence whether business comes to a definite conclusion or no. It is obviously impossible to give details in this column but we can satisfy any of our readers that we are able to conduct transactions of any magnitude and bring them to a satisfactory conclusion.



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**Speculation and its Benefits—Artificial Silk Shares
—Gilt Edged Prospects—A Motor Share to Buy.**

By OUR FINANCIAL EDITOR.

THE Stock Exchange share markets have recently had a very remarkable season of activity. Very often the wonder has been expressed where all the money has been coming from for the speculation in artificial silk, gramophone, tobacco and a few specialty shares. It has certainly looked since November last as if there were people with money to burn. Such a long boom as Gramophones, Courtaulds, Triplex Galass, Buoll Combustion shares have enjoyed is a new experience even to old city men.

I met the other day a man who had sold 2,000 Vocalion gramophone shares at 14/-. On the day I met him they had reached 70/-. He was in the depths of despondency. When he bought the shares not a long time ago they were just one-tenth of their present price. But though he had bought at 7/- and sold at 14/- he was regretting the loss of the great profit he would have had if he had kept the shares.

"To be or not to be" . . .

Buying speculative shares is always apt to leave one with regrets. Either one holds on until all the interest in them dies out or one sells too early. Speculation is not a game for the serious type of men to play. They are inclined to make too much of their mistakes. I am not personally an opponent of speculation. After many years of study of the City I am convinced that it plays a very useful part in our financial affairs. Look, for instance, at the new industry of artificial silk. Speculation has brought more capital to that industry in two years than could possibly have been got for it in ten years without the speculative attraction. The fact that Courtaulds, the leaders of the industry not for Britain only but

for the world, have made such a colossal success, that they have been able to give millions of valuable shares to their shareholders has reacted on the financing of the whole industry, making it easily possible for other companies to get needed capital.

Retrospect and forecast.

Readers may remember that early last year I picked out the artificial silk shares as being by far the most likely to give good results to investors and speculators. I find that since I wrote that article somewhere about £20,000,000 has been made in the shares. I am convinced still that artificial silk shares will prove good investments, but I am inclined to the view that Courtaulds are high enough for years to come. They will move up afresh on the speculative buying, but from the point of view of yield they have been too high for years.

Nowadays there is quite a good list of artificial silk shares. The investor should study that list carefully for there is sure to be one or other share in it which is fated for a great future success. I am inclined to think that the following shares will do well in 1928.

Snia Viscosa	at 40/-
Branston Silk	at 20/-
Cellulose Acetate, Ltd.	at 20/-
Rennes Artificial Silk	at 10/-

Of these the first is the famous Italian Company. This company has both great equipment and a very fine trade. Italy, too, is a country where its product is sure of a big home demand. Not long ago Messrs. Courtaulds made a working arrangement with Snia Viscosa. That every one realises to be a strong point. At one time

Snia Viscosa shares were 66/- each. They have been brought down by the difficulties of adjusting trade to the stabilisation of the lira. Now that the Italian currency is thoroughly settled the company should resume its striking success of the past. It will take time for the shares to become popular again, but when they do they will soar to a high price.

Ordinary Share Buying.

The other companies I name above are new ones. All of them have Ordinary and Deferred shares and in each case the Deferred shares stand very high. The shares I am here recommending are the Ordinary. Anyone who studies the Stock Exchange will find that Deferred shares always get an undue amount of attention because of their low par value. When buying Deferred shares the public do not seem to ask whether they are 1/-, 2/-, or 5/- nominal but just pay the price asked. The Rennes Artificial Silk Deferred shares are 1/- shares, but on the very first day they were brought into the market they were sold at 2/9 each and speedily went to 3/- and more.

In the case of Branston and Cellulose Acetate the Ordinary shares are £1 nominal and in the case of the Rennes Artificial Silk Company 10/- nominal value. The Branston Company has one of the most modern of all works. It has been fitted with the most up-to-date machinery by the most efficient of specialists. When it gets to producing in the spring there is pretty sure to be a fresh jump in the shares. Cellulose Acetate has a very fine board and it is notable for the fact that textile experts in wool and cotton are among the directors. This suggests that they will blend the various textiles and should assure the silk company of ready buyers for the product of the mills.

Pioneer of Artificial Silk.

The last company is a British company owning a French works. Their mill is associated with the name of Chardonnet. Count Chardonnet in the 18th Century was the first man ever to think of producing artificial silk. The process at this works is nitro-cellulose. The company is already producing and it was floated recently here in England in order to get capital for extensions. There is every likelihood that in a year or two it will be a very big success. It has an absolutely sure market for all the artificial silk it can produce, a Lyons silk merchant having contracted to buy it all for ten years at the market price.

An element of speculation attaches to the shares of these three companies, for they are new ones and one knows that new companies



Homer

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do not always go according to plan. Still they are well worthy of attention. Success will bring very rich rewards to shareholders and anyone has now the chance of getting in on the ground floor.

"Ides of March."

In other sections the Stock Exchange does not at present offer any great chances of big gains. It is more than likely that March will be a rather bad month for share buyers. The income tax collectors in that month are generally a disturbing element. They tighten up money and they lead to a lot of selling of shares.

The gilt-edged market is very good and the Budget figures are likely to strengthen it. Now is the time to lay up a store of Government Stock. A year ago I mentioned here that 3½ Conversion Loan at about 74½ (the price at that time) was sure to appreciate. To-day its price, less accrued interest, is nearly 76. This loan in five years' time will stand at 85. Investors should buy it for all they are worth. Its value is ever increasing. The more the Government gets rid of debt the better will be the price of this loan.

For the Long Shot.

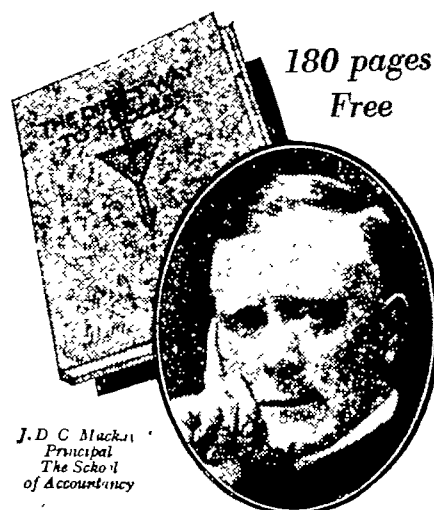
Anyone looking for a long-distance or lock-up industrial investment should weigh the possibilities of the 10/- shares of Crossley Motors, Ltd., which can now be bought at about 5/- to 6/-. These shares are low in price because the recent history of the company has been rather depressing. In a capital reconstruction two years ago 10/- was written off the Ordinary shares. In the first year on the new basis the company earned just over 10 per cent. on its capital. It paid a dividend of 5 per cent. and carried forward the rest.

This seemed to indicate that a new era had begun and that the company was once more going to be a dividend payer. Then came another bad report a few weeks ago, showing a loss in the last financial year of more than had been made in the preceding year. Down went the shares from 6/6 to 3/9. But the report has been more carefully studied since then and the price has become firmer. The report showed a very healthy notion of finance on the part of the directors. They had been last year developing overseas markets; improving their well-known car; bringing out a new smaller model. All the expenditure, which was of a non-recurring type, they had paid out of the year's income. They could have spread it over several years and shown a better report for 1927, but they chose the more straightforward way.

In addition they had acted very conservatively in regard to A. V. Roe, Ltd., the aeroplane firm, in which they have a large holding. The year's profits of this firm were put back into development of the business. That was a good move. Let it be noticed that the aeroplane in which Mr. Bert Hinkler did his marvellous record flight to Australia was an Avro-Avian with a Cirrus engine. This, I take it, means that the body of the aeroplane was by A. V. Roe, Ltd. Surely this must mean a lot for A. V. Roe's prestige and trade.

Confidence!

The Crossley motor car is a great car and the name of Crossley has been one associated with success and high commercial honours. I believe in the firm. I am certain it will re-galvanise its prosperity. The ordinary shares have the full equity in the business. They are not crowded out by debentures and Preference shares and indeed they cannot be. I therefore recommend them as a lock-up—something to put in the safe for a year or two with confidence that they will not let you down.



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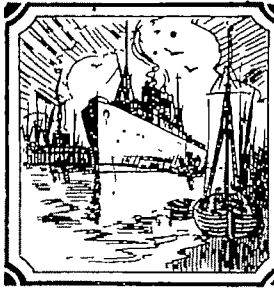
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Shipping and Transport



Motor Law.

By F. E. SUGDEN, A.C.I.S., *Barrister-at-Law.*

Car Insurance provides many difficulties for the layman and even Insurance men do not always appear to be too sure of their ground. In Hire Purchase the insured is doubly liable, because the ownership is not actually vested in him, yet his liability is co-equal with that of an actual owner. The author furnishes some very valuable assistance in these matters.—EDITOR

IN the last legal article mention was made of the purchase of motor vehicle through the media of Hire Purchase Agreements. Incidentally an explanation from a legal aspect was given in reference to the interpretation of some of the clauses. In continuation of the subject vital clauses have still to be considered. "The Hirer shall be at liberty at any time during the continuance of the Agreement (subject to giving one month's notice in writing to the Owner of his intention so to do), to return the said Motor Car and accessories to the Owner carriage paid, and upon the same being safely received by the Owner, the hiring shall be deemed to be terminated with the same result and effect as is provided by the clause in case of re-taking possession by the Owner" (this clause which has reference to default payments was dealt with in last article)

In Plain English.

The above means that the person who is buying the car by means of the Hire Purchase Agreement shall be deemed free of liability at any time on giving one month's notice to the vendor of the car to return it to him, provided he has paid the monthly instalments due; paid for all repairs that have been effected and returned the car and accessories in good order and condition. The cost of carriage (if any) of the vehicle, etc., when returned to the vendor shall be borne by the present possessor of the car.

The next clause to be considered is not a very serious one: "It is further agreed that if and

when the full amount firstly above named shall have been paid to the Owner the Hirer shall have the option of purchasing the said Motor Car and accessories for the sum of Ten Shillings, but no such option shall arise in case of termination of hiring or return of the car." It simply means that when the so-called hirer who is in reality the prospective purchaser has paid all his monthly instalments, he has the legal right to claim ownership of the car on the payment of ten shillings to the vendor provided in the meantime that he has not defaulted any of the monthly payments and he has not returned the car to the owner.

Covering Contingencies.

The final clause in the Hire Purchase Agreement is worded as follows "This Agreement is personal to the Hirer, and is not assignable by him and shall not be charged." This implies that not under any circumstances can the prospective hirer transfer the agreement to anyone else and he cannot mortgage the car whilst it is on the hire purchase system.

So far one has assumed that the purchaser of the car has effected the transfer to him on hire purchase terms. There is also the legal aspect where the car owner has given spot cash for the vehicle and consequently what points should be noted upon the transfer of the car to him in this manner.

An Important Provision.

Where the prospective purchaser relies upon the vendor's description regarding the merits or

otherwise of the car, the motor enthusiast has a legal right to expect that the goods shall correspond with the description. It is important to note that where the purchaser makes known to the motor car dealer the particular purpose for which the goods are required, so as to show, that the buyer relies on the seller's skill or judgment, and where it is the practice of the vendor to deal in cars, it is an implied condition that the car will meet the requirements which have already been explained to the motor salesman by the buyer. There is an exception to this rule—and a very important one. If the buyer demands a specific make of car, the salesman cannot be held responsible if the car does not fulfil his expectations. If the car is not satisfactory, according to the description above, the purchaser is legally within his right in refusing to pay for the machine whilst in that condition.

"He who steals what isn't his'n."

Attention is directed to the legal position of the purchaser in relation to stolen cars which unfortunately is a menace. Where a motor is sold by a person who is not the owner thereof and who does not sell the car with the authority or with the consent of the owner, the actual purchaser has no legal title to retain possession of the car even though he has paid the vendor the price asked by him.

Before leaving the question of the actual purchase of a motor car there is the legal position when the car is forwarded on approval. If a car is sold under a contract of "sale or return," and the car is tendered back within a reasonable time the sale is annulled and the vendor cannot recover the price of the car. If the prospective purchaser having obtained possession of the car fails to return it within a reasonable time, the contract is complete and the vendor has sold the car to the purchaser and thus the price of the car may be recovered in a Court of Law.

Unravelling an Insurance Policy.

One has now reached the stage where the Commercial Aspirant has for all intents and purposes obtained the full use of the car even in spite of the fact that it is on the hire purchase system. The next point to be considered is, how shall he safeguard himself against accident, whether inevitable or otherwise? The usual procedure is to take out a "Comprehensive Car Policy." Naturally the general question is asked, what does such a policy cover. Unfortunately the motorist is not fully conversant with the interpretation of its contents because it has been suggested rightly or wrongly that the contents of such a document are veiled in legal obscurity.

It is now proposed to give a legal explanation

of such a policy. As one will appreciate it is impossible owing to limitation of space to quote verbatim each clause, word for word, but it is proposed to explain the meaning of typical clauses and incidentally to draw attention to exceptions, that is, risks which are not covered by the policy.

What It Covers.

The insurance indemnifies the user of the car for its loss as a result of accident, malicious act, fire, collision, carriage either land or sea. The user is also covered against theft, etc., of parts from the car. The insurance company indemnify against personal luggage in car to the extent of five pounds per article or a total of twenty pounds for any one claim. It is very important to note that the policy in most cases does not cover damages caused by usual wear and tear losses; damage caused by frost, e.g., damages to frozen radiators; punctures and damage to tyres caused by the sudden application of brakes, etc., unless caused by accidental collision.

Under the heading of Public Liability Clause the insurance company covers the assured against legal liability if the car user causes loss of life or damage to property, and law costs (if any incurred) in connection with such claim provided the law costs are incurred with the full knowledge and consent of the insurance company. This clause does not provide cover in case the claim is made against the assured by a member, including a relative, of the the assured's family. One exception which should be as forcibly as possible brought to the attention of the reader is contained in the following clause. "In the event of an accident covered under the Public Liability section involving Police Court Proceedings, a Coroner's Inquest or Fatal Accident Inquiry in Great Britain, Ireland, the Isle of Man or the Channel Islands, the Corporation will provide the defence or representation thereof of the Insured or any person driving on his behalf." It is to be noted that there is great limitation in such a clause in that no provision is made for the assured's defence in case of criminal charge being brought against him at the Quarter Sessions, Assizes or the Old Bailey, for negligent driving.

Over 16 or under 65.

The next clause to be considered is "Accidents to Insured and Wife," one under which certain benefits are paid to insured or wife in case of disablement or in the event of the death of either, to their next of kin, etc., provided either or both were over sixteen and under sixty-five years when the accident occurred. Needless to say the insured cannot claim indemnity, etc., if death results from natural causes, e.g., disease, suicide or intoxicating liquors.

Under the Medical Expenses Clause the Insured and/or (legal meaning of either or both) any occupant or driver is covered for medical or surgical expenses by the insurance company if such treatment is necessary as a result of an accident. The medical expense incurred must not exceed twenty pounds in respect of any one person

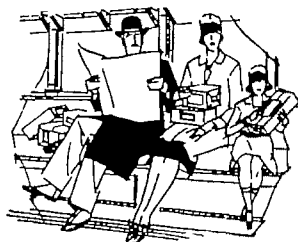
"Towage Clause."

The reader's car will not be towed at the insurance company's expense outside Great Britain, Ireland, the Isle of Man and the Channel Islands. If accident occurs whilst the insured is racing the car or, in the case of a private car, using it for transport of goods (this is covered by a special policy) or the motorist is convicted of drunkenness when the accident occurred, the insurance company is not liable. Fortunately, the next risk which is not covered is remote, namely, damage by Earthquake, Invasion, Foreign Enemy, Military or Usurped Power, Riot or Civil Commotion occurring within the land limits of Ireland. It is interesting to note that travelling to certain parts of the Continent can be covered by the policy if the same is endorsed by the insurance company.

Cash Value of Pre-knowledge.

Before leaving the policy of insurance the reader should make himself fully conversant with the general conditions for making claims against the insurance company. One suggests that the commercial aspirant should make himself fully acquainted with the clauses even before the accident occurs in order to carry out the insurance company's correct procedure, particularly in view of such undermentioned clauses as—"No repudiation, admission, offer, promise or payment shall be made by the insured without the written consent of the Insurance Company which shall be entitled if it so desires to take over and conduct in the name of the Insured the defence of any claim or to prosecute in his name for his own benefit any claim for indemnity or damages or otherwise against any Third Party and shall have full discretion in the conduct of any proceedings in the settlement of any claim, and the Insured shall give all such information and assistance as the Insurance Company may require." The legal significance of the following clause should not be overlooked: "The Insured shall exercise reasonable care in the selection and employment of steady, sober and competent drivers." If our reader employs a novice who has not had sufficient experience to be on the road and an accident takes place as a consequence, great difficulty will

The Advertisement that goes *right* home



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Ask your printer for our booklet on the art of attractive packing

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labels**

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TRAVELLING SALESMAN

Advertisement of
SAMUEL JONES & CO, LTD.,
Bridewell Place, London, E.C.4.



be experienced in recovering from the Insurance Company.

Employer's Liability.

At this stage it is proposed to deal with the liability which is incurred by the commercial aspirant who employs a chauffeur to drive his car, particularly when the car is driven by our reader's employee, negligently. The employer is liable for acts of his servant. The principle of law is that he who employs another is liable for his servant's acts as if he himself had performed them. An act which has been prohibited may make the employer responsible if in fact it was done in the course of doing something authorised and was done in the employer's interests. It is useful to know that if a servant takes a motor on an errand of his own and runs down a person, his employer is not liable for that particular injury. Similarly, if a driver of a car gets drunk whilst in his car and the police refuse to allow him to drive, and a substitute who is employed to drive the car home runs down a pedestrian, the owner of the car is not liable. The person who has the control of the driver in the execution of his duty is the person who is liable in law for his negligence.

Railway Rates and their Analysis.

By J. T. MOSS,

Assistant Traffic Manager.

Whilst the "Appointed Day" may have brought with its changes some advantage to the Trader, it has also imposed upon him the necessity of *revising his information*. Efficient Organisation and Lower Costs are results of accurate information, and it is better to pay correct rates than recover excess charges.—EDITOR.

A KNOWLEDGE of railway rate making is indispensable to everyone who has to deal with the forwarding of merchandise by rail in order to know that they are not paying more than is absolutely necessary for the conveyance of their products from one point to another.

The purpose of this article therefore, will be to outline in as simple terms as possible, how the railway companies compute their charges for the various classes of goods which they, as common carriers, are called upon to carry.

I expressly use the term "common carriers" to distinguish the difference which at present exists between them and their great rivals—road transport.

This outline has been somewhat simplified by the dawning of the new era in rail transport, or in other words, the arrival of the "Appointed Day."

ONE GUIDE BECOMES FOUR.

The principle upon which the new railway rates are based or computed is very similar to the old one, except for certain modifications.

Prior to Jan. 1st, 1928 the maximum rates which the railways companies could charge for the conveyance of merchandise by rail between two given points were contained in a Government publication known as "An Analysis of Railway Rates and Charges Order Confirmation Acts 1891-2."

This book, of course, has now gone by the board, and its place has been taken by four separate publications, i.e., one book for each of the four big railway groups.

These books are known as the "Statutory Rules and Orders, 1927, Railway Schedule of Standard Charges," Nos. 848, 849, 850, 851, and can be obtained from any Government book-seller for 1/6 each. The new rates have been cal-

culated upon the shortest physical distance between each of the groups own stations, but where traffic passes over the lines of two or more group companies, they are based on the shortest *working* distance, subject of course, to what is known as "bonus" mileage in both instances

A PRACTICAL EXAMPLE.

We will now, for the purpose of illustration, proceed to analyse the old second class rate of 37/2 per ton which was in operation between Darwen and York prior to Jan. 1st, 1928, and compare it with the method adopted in arriving at the present class 15 rate of 36/3 per ton—its equivalent under the new railway classification.

Darwen to York. Class 2—37/2 per ton throughout distance 80 miles

Darwen to Normanton (L. and Y. Rly. Co.)

Distance	d	s	d	s	d
20 miles @ 2.65 per ton per mile		4	5		
30 " 2 30 " "		5	9		
4½ " 1.80 " "		8	10		

10 10 10

Normanton to York (N.E. Rly Co.)

20 miles @ 2.65 per ton per mile	4	5
5½ " 2 30 " "	1	0.65

25½	5	5.65
Station Terminal at Darwen	1	6.
" " York	1	6.
Loading		8.
Unloading		8.
Covering		2.
Uncovering		2
Balance left for stge. at Darwen and York	1	11 25

TOTAL	22	11.
PLUS 60% INCREASE	13	9.
6d. FLAT RATE		6

TOTAL £1 17 2

A RAILWAY PRECAUTION.

Cartage charges prior to the "Appointed Day" were not fixed by law, i.e., there was no statutory limit, but the railway companies were not entitled to charge more than what was considered a reasonable amount for the performance of this service.

This amount seems to have been fixed at 1/8 per ton for provincial towns so that in the example quoted, the base rate of 22/11 was within the legal limit by 1s. 4.75d.

It may perhaps be of interest at this juncture to add that the railway companies, in practice, rarely charged the maximum amounts to which they were entitled, the reason probably being that they were anxious to avoid litigation.

In the example given, the reader will have noticed that each company's portion of the throughout distance was separately charged.

CONTINUOUS MILEAGE.

This principle has now been discarded in favour of the continuous mileage or "through" rate as will be clearly seen in the following analysis of the new standardised class 15 rate.

DARWEN TO YORK. Class 15—36/3 per ton
(Distance 80 miles 26 chains)

Darwen to York (L.M.S. and L.N.E.R. Rly. Cos.).

Distance	d.		s	d
20 miles @ 4.75 per ton per mile		7	11	
30 " 3.45 " "		8	7½	
30 " 3.00 " "		7	6	

Station Terminal at Darwen	24	0½
" " York	2	5
Loading		11
Unloading		11
Covering		3
Uncovering		3

Conveyance Rate	31	2½
Standard charge for stge at Darwen	2	6
" " York	2	6

Total C and D Rate	36	2½
--------------------	----	----

It will thus be obvious that the general principle adopted by the railway companies in compiling their new carriage rates remains practically the same.

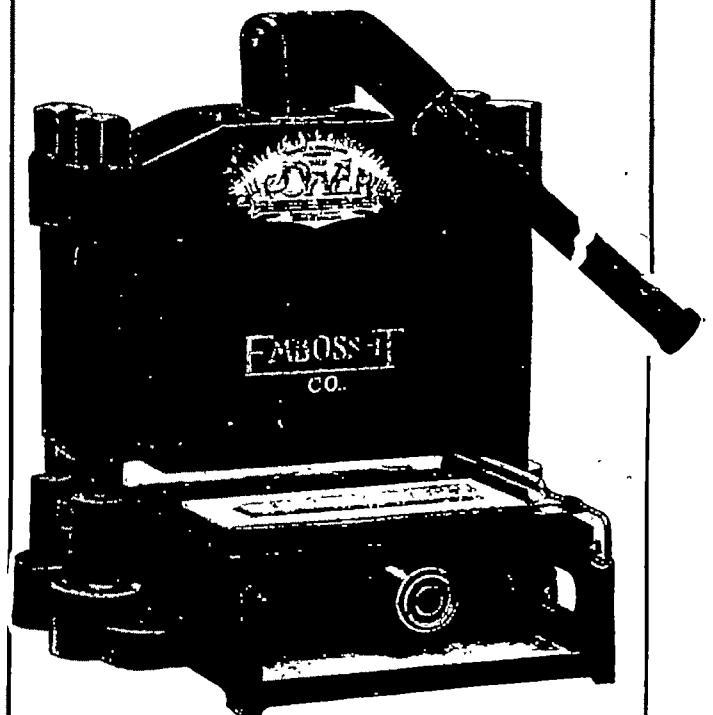
Cartage charges having been standardised it is now comparatively simple to disintegrate a railway rate once you get to know the mileage and the scale of cartage charges applicable, or the cartage letter as it has been called.

It may be useful at this point to dwell upon the new innovation which has taken place in the railway companies' methods of recording their rates.

SAVE 80% OF SHOWCARD BILLS

Install the Patent "ALLPOWERFUL" SHOWCARD MACHINE

This machine, which is all BRITISH, is having a large sale on account of its high-class construction and reliable working.



Fitted with latest patent applied for adjustable type bar.

Many Satisfied Users.

Write or call:—

THE EMBOSS-IT CO., LTD.,

26, ST. BRIDE STREET, LONDON, E.C. 4.

THE STARS!

Before the "Appointed Day," class rates were shown in the railway companies' rate books with specific stations, now one finds only the mileage recorded therein together with mysterious looking stars and letters.

Upon turning to the front of the rate book, you will find a notice which reads as follows:—

STANDARD RATES—CLASSES 1-21

"On and from 1st Jan. next Class Rates will not be shown in the Rate Books with specific stations.

Standard Rates in the form of Mileage Scales for Classes 1-21 will take their place. The Standard Rates are exclusive of collection and for delivery and are applicable on the distance shown in the Rate Books. When distances are shown in both the distance columns that in the second column headed 'All traffic to be charged at Scale on miles' must be used in connection with all Scales. (Note—Fractions of miles must be dealt with in the following manner)"

When the entire distance does not exceed 20 miles:—

1 to 20 chains charged as	$\frac{1}{4}$ mile
21 to 40 " "	$\frac{1}{2}$ mile
41 to 60 " "	$\frac{3}{4}$ mile
61 to 79 " "	1 mile

When entire distance exceeds 20 miles:—

1 to 60 chains dropped	
61 to 79 chains charged as	1 mile

Therefore, to obtain a "Collected and Delivered" rate one must observe certain conditions

If a station is starred, i.e., has a small star placed in front of it, this means that this particular station has a cartage staff available for the collection and/or delivery of traffic, and will perform same upon payment of the railway companies standard scale of charges.

This scale varies in different parts of the country, but to overcome the difficulty, a letter is placed against the station to show which scale is applicable. If no letter is shown, scale A will apply.

CARTAGE AND REBATES.

The following are the Scale of Charges for collection or delivery within the prescribed limits for merchandise in classes 11 to 20 charged at Standard Rates and Returned Empties in Classes C. E. H. and G.

	Scale 11 to 13		14 to 16		17 & 18		19 & 20		Returned Empties	
	per ton	s d	per ton	s d	per ton	s d	per ton	s d	Classes C, E, H	Class G
A	2	6	2	6	3	4	4	2	2	4
B	2	11	3	4	3	4	3	9	2	4
C	3	4	3	9	3	9	4	2	2	4
D	3	9	4	2	4	2	5	0	2	4
E	4	2	4	7	4	7	5	5	2	4
F	4	7	5	0	5	0	5	10	2	4
G	6	3	6	8	6	8	7	6	2	4
H	5	10	6	8	6	8	9	2	5	10

Additional charges will be made when the Company cart traffic beyond the prescribed limits

Thus the cartage charges on traffic in, say, class 11, from an unlettered starred station to London (which is letter H) would be $2\frac{1}{6}$ plus $5/10 = 8\frac{1}{4}$ per ton.

It will be obvious at this point therefore that the cartage rebate problem, automatically solves itself inasmuch as where a trader performs his own cartage, the railway company will only charge the conveyance or a delivered rate, whichever is required.

To review what has been said, all that a trader need do to calculate the new rates is to obtain the mileage to specific towns in the railway companies rate books, get the conveyance rates from the mileage scales and add the Standard Cartage Charges where necessary.

If he prefers to have a mileage scale of his own he can obtain a bound copy of all the Scales for 10/- from the Railway Clearing House, 123, Seymour Street, London, N.W. 1, who also publish separate scales at prices varying from 3d to 1/- each, particulars of which can be obtained at any local goods station.

SOME EXCEPTIONS.

The new rates, however, do not apply to

BUDGET for INCREASED TURNOVER— Realise it with Salmanger

HOW MUCH IS THAT INCREASED TURNOVER GOING TO COST YOU?

There is a point in Sales Organisation at which 'overheads' should be more or less stationary and it is at that point where you go all out for the larger turnover, knowing that all business beyond it will yield the maximum profit

THIS IS WHERE SALMANGER WILL HELP YOU.

If you are covering the whole country or merely a town, SALMANGER will ensure maximum results at MINIMUM COSTS

**INVESTIGATE THE SALMANGER
SYSTEM OF MAPS (with washable
surface — indestructible and ever
useful) AND RECORDS.**

Full Particulars from—

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GROVE PARK, LONDON, S.E. 12.

(Phone LEE GREEN 3970-1).

through booked traffic with Ireland, the Continent, the Isle of Man, Channel Islands or to rates with Manchester Docks (Shipping) Manchester Docks (Works), Bridgewater Junction (for Trafford Park) and Trafford Park Junction for Trafford Park, and Works and Premises on the Manchester Ship Canal lines other than at Manchester.

For the present the old rates are being continued until these difficulties have been surmounted and fresh instructions issued.

An important point to be noted is that there is now only one uniform scale of charges for small parcels by Merchandise train instead of the old vexatious "local" scales.

A copy of this new scale can be obtained for 9d. post free from the Railway Clearing House, whose address will be found in another part of this article.

In conclusion, the importance of knowing how to disintegrate a railway rate will be fully appreciated when one comes to consider the many problems that arise in connection with various

SIX YEARS' HARD LABOUR-

in negotiation, committee and conference, have combined to make a few men—the members of the Traders' Co-ordinating Committee—masters of the very complex problems which now confront every British trader who uses the railways.

We are privileged to announce that, with the active co-operation of one of these men—perhaps the one who, throughout the difficult years, has been the most tireless in his efforts to secure equitable arrangements for traders—has agreed to co-operate with us by preparing a Course of Instruction in

CURRENT RAILWAY PROBLEMS.

This Course is unique. There is nothing like it. There cannot be, for no other man has available the wealth of material essential to its preparation.

The Course is not for youngsters. Elementary instruction in railway rates problems can be obtained elsewhere. It is for the executive who wants to become thoroughly *au fait* with the present situation between railways and traders, and who has to struggle through a mass of technical difficulties affecting his firm. Only such will be accepted as students, and the method of instruction will be *strictly confidential*.

The fees will astonish you by their moderation. Widespread demand alone makes them possible.

Transport Men!

Company Secretaries! Directors!

Unless all your arrangements are in apple-pie order you cannot afford to do without this Confidential tuition another day. Enrol yourself, or put a member of your staff in touch with us. To hesitate may mean heavy loss to your firm.

Full details from **COLLEGE OF ADVANCED TRANSPORT,**
17/18, Water Lane, Great Tower St., London, E.C.3.

By Appointment to



H.M. King George V

BAR-LOCK TYPEWRITERS

*The Last Word in Efficiency
—and British made throughout!*



Model 17 embodies all the latest improvements Instantaneously removable Paper Carriage, Ribbons and Spools, Self-Adjusting Paper Feed from tissue to card, Single Shift Key, instantly interchangeable Platens, Velvet Key Touch, £ s d. and Decimal Tabulator, etc.

BAR-LOCK (1925) CO.

(Proprietors: JOHN JARDINE LTD.)

BASFORD, NOTTINGHAM.

London Agents: INSOLL & CO., 42, Southwark St., S.E.1.

matters such as private sidings, etc., or where a railway company, having no rates to a certain station, attempts to double book your traffic, thus charging you for services which they do not perform.

Eliminating Errors from Traders' Railway Charges.

A valuable amplification of the above article is Mr. J. W. Parker's book, recently published, dealing with "Traders' Rail Charges Up to Date." Written from the trader's point of view, it furnishes the layman with solutions to perplexities arising from the application of the provisions of the Act which recently came into force, which he will only discover by much labour from the regulations of the Railway Companies. The knowledge is not obscured by a mass of verbal 'packing,' but contains "just so much of it as the trader requires in order to know precisely the new arrangements and what he should pay for rail transport."

Altogether a very valuable book, concise, efficient and dirt cheap at 3/6 Pitman and Sons are the Publishers.



Commonsense Methods of Business Building.

By CUNLIFFE L. BOLLING,

*Author of "Commercial Management," "Sales Management," etc.
Lecturer in Salesmanship and Advertising to the Polytechnic, London, W*

XII.—How to obtain Salesmen's Reports.

In this series of articles Mr. Bolling is dealing with problems of sales management in a practical and comprehensive manner. New readers are recommended to obtain back numbers containing his previous articles which covered selling policies, advertising, prices, credit, etc. Full particulars on application.

The articles to come will deal with salesmen, agents, showrooms, exhibitions and other important factors in business building.

I HAVE already described some of the tasks undertaken by a sales office organised in accordance with modern ideas, notably the planning of salesmen's journeys, the handling of salesmen's reports, the compilation of records of customers and prospective customers and the distribution of sales literature to the customers and prospective customers.

INVITATION AND RECEPTION.

These tasks constitute what may be called the "invitation" side of sales office work; their combined effect is to invite the buyers who come to the notice of the office to do business with the firm, or as a half measure, to invite them to grant an interview to a salesman, to visit a showroom or exhibition, to ask for additional sales literature, specifications or quotations or to investigate the merits of the articles offered.

The other side of sales office work may be called

the "reception" side, since it mainly consists of dealing with the buyer's responses to the invitations, either supervising the execution of his orders, arranging for a salesman to call upon him by request, receiving and entertaining him at the office, showrooms or exhibition, answering his questions, preparing specifications or drawings, submitting samples and making formal quotations.

In other words, it consists of catching the buyer's reaction and making the most of it. The invitation work of the sales office will be wasted unless the reception work is intelligently and efficiently carried out.

HANDLING CUSTOMERS' ORDERS.

The execution of customers' orders does not usually come within the province of the sales department, but the sales office comes between the customers and the service department (whatever

it may be called) and has the responsibility of making the customers' requirements clear to the service department.

When orders are taken by salesmen on the road, in the showrooms, at branches or at exhibitions, the salesmen will be responsible for their accuracy and must see that the customers' wishes are expressed exactly in the orders, in such a way that the service department can readily understand them. This means that each salesman must have a complete and up-to-date knowledge of the firm's range of lines and the methods employed by the service department. He must have at his finger tips precise information as to qualities, sizes, prices, designs, packings, terms, and times and routes for delivery, so that he can give definite guarantees and promises on any point raised by the customers.

In many business houses there is a considerable amount of friction between the sales and service departments, arising out of the fact that the salesmen are badly trained and badly managed. The result of this is that orders sent in by the salesmen do not interpret the customers' wishes, the service department consequently disappoints the customers, the customers complain and the two departments proceed to lay the blame upon one another.

SALESMEN'S ORDER FORM.

The actual order sent in by the salesman is usually conclusive evidence in this matter. If it does not give the service department all the information required the sales department is at fault. The salesmen should be provided with printed forms to carry the orders they take and these forms should be so arranged that the salesman has to give all the necessary information. A specimen salesman's order form is given on this page, and it will be noticed that this has the effect of asking the salesman a definite number of questions. He has to answer them before he leaves the customer, because the customer's signature must be obtained on the form and if he omitted to give any necessary information the omission would be obvious.

Obtaining the customer's signature to the order is a valuable safeguard for the sales office and this should be insisted upon.

In order to give the salesman no excuse for ignorance it is necessary for the sales office to keep them informed by sending them bulletins every time some change or development is made in the articles offered or any detail of preparation, service or price in connection with them. Some firms consider it necessary to send every bulletin to the salesmen in duplicate and make them sign

SALESMAN'S ORDER FORM.

Date *28th February, 1928*

Customer's name *John Harris*

Address for invoice *1374 High Street, E.13*

Delivery to *Rose Yard, High Street, E.13*

Date promised for delivery *5th March, 1928*

Terms of payment *Net cash, within one month*

One Tapeezi Typewriter as described below :—

New, rebuilt or secondhand *Brand new*

Model *B* Finish *Black and nickel*

Carriage *Brief* Keyboard *English*

Typeface *Elite* Figures *Billing*

Commercial signs (4 to select) £ \$ % |

Fractions (5 to select) $\frac{1}{2}$ $\frac{1}{4}$ $\frac{3}{4}$ $\frac{1}{8}$ $\frac{5}{8}$

Ribbon *Black and red*

Cloth cover or metal cover *Cloth*

Extra equipment *None*

Price *£31 . 2 . 6d net*

Remarks *Free repairs and adjustments for two years from delivery date*

Customer's signature *John Harris*

Salesman's signature *B Robbins*

For office use

Machine No *B 3974* Order No *61278*

Advice Note No *S 349* Passed by *M.H.*

and return one copy as proof of their having seen the bulletin.

If the salesmen are duly advised of everything they should know and a suitable order form is provided for their use, the obtaining of explicit orders is only a question of discipline. A sales manager should not hesitate to reprimand a salesman who is lax in making out his orders. The reputation of the firm is at stake and any failure to maintain discipline will lead to widespread abuse of the order system, loss of customers and controversies between departments.

WHEN CUSTOMERS ORDER DIRECTLY.

When a firm is able to induce its customers to send their orders directly to the sales office, instead of waiting for the salesmen to call, the customers must be supplied with pads of order forms and catalogues, price lists and other sales literature, to enable them to make their selection unaided. They must also be advised, by bulletins or circular letters, of all changes or

developments. A customer cannot be reprimanded if he makes a mistake in preparing his order, however foolish the mistake may be, and it is therefore necessary to make the publications and order forms sent to the customer so explicit that they are practically fool-proof.

The order form supplied for the use of salesmen will usually be suitable for the customers who make out their own orders, but some slight modifications may be necessary.

When a customer's order does not make his wishes clear the sales office must write for the additional information required in a tactful and helpful manner. There must be no suspicion of criticism, annoyance, contempt or sarcasm in the letter and the outstanding question should be made as clear and easily answerable as possible, to avoid the necessity for further correspondence. If practicable, the customer's answer should be whittled down to a simple "yes" or "no." When the telephone can be used instead of a letter in applying for further information this is a much better method of approach to the customer as it is quicker and does not put the customer to the trouble and expense of writing a letter.

ENQUIRIES FOR INFORMATION.

Successful business houses continually receive enquiries for information about their products and service and the enlightened ones do not forget to invite such enquiries in their press and postal advertising. These enquiries should always be handled by the sales office, and it is up to that office to make the most of them. Every enquiry represents a possible opportunity of doing business and should be treated accordingly. When an enquiry is obviously from a prospective customer it may be advisable to send a salesman down at once with the information asked for, the object being to catch the prospective customer while he is interested and before his attention turns to something else. It is a good plan, however, to answer the letter independently of the salesman's visit, seizing the opportunity to enter into correspondence with the prospective customer and guarding against the salesman failing to answer the enquiry punctually or efficiently.

ANSWER EVERY QUESTION.

It may seem superfluous to say that the letter of enquiry should be read through carefully and every question answered in correct order, but my experience has shown this advice to be necessary. On many occasions I have sent enquiries to business houses asking definite questions, and their sales managers have contented themselves with writing excessively polite but entirely irrelevant letters accompanied by ill-chosen sales literature.



The DESK of INDEPENDENCE

This busy executive has solved the problem of independence. There is no need for him to lose valuable time, impatiently waiting while figures are looked up or important documents found, for he keeps essential matters *at his finger-tips* in the organised smoothly-gliding drawers of his EFFICIENCY desk.

He can act decisively and quickly because he *knows* facts and figures and has absolute control of his organisation.

EFFICIENCY can give you the same control and independence—as it has many other successful men. May we tell you how?

**SIMPLY SEND A CARD
FOR FREE FOLDER "B.5."**

Shannon
LIMITED

**"SHANNON CORNER,"
57-59, VICTORIA STREET,
LONDON, S.W.1.**

AND

"Shannon Corner," 132-3, Cheapside, E.C.2.

Branches at BIRMINGHAM, MANCHESTER, LIVERPOOL,
NEWCASTLE-ON-TYNE, GLASGOW, BRISTOL, CAIRO (Egypt).

Imagine the feelings of a buyer who writes to a firm asking whether they can supply a certain article and receives in reply a bulky catalogue and price list "with the sales manager's compliments."

Very often a customer's enquiry is answered exactly by an entry in a catalogue, but this is no excuse for making him wade all through the catalogue to find the information he requires. It is common courtesy either to copy out the information in the letter replying to his enquiry or cut the appropriate page out of the catalogue and attach it to the letter. The rest of the catalogue can be sent to him under separate cover.

It must not be forgotten that a prospective customer judges a firm's service by the way in which they attend to his enquiries. If they do not reply for several days or do not take any trouble over the reply, how will they treat orders for goods?

TELEPHONE ENQUIRIES.

The sales office may receive enquiries by telephone and these should be handled just as carefully as enquiries by post. As soon as the telephone operator finds that an incoming call represents a sales enquiry, it should be switched through to someone in the sales office who is trained to answer telephone enquiries. The opportunity presents itself for the firm to learn something of the prospective customer's requirements and intentions, to obtain a definite appointment for a salesman, to arrange for the prospective customer to visit the showrooms, or in some other way to get a stage further with the development of the prospect into a sale.

This is another matter in which I have found many sales offices sadly lacking. Too often a telephone enquirer is left to "hang on," the operator being at a loss to know what to do with him, or he is switched from one unhelpful department to another until he becomes so enraged that his only object in hanging on becomes the desire to "tell someone off."

A written record of every telephone conversation should be made by the person conducting it, immediately after it has taken place, and this record should be filed away with the salesman's reports upon the particular prospect.

ENQUIRIES FROM TRADE EMPLOYEES.

Only a small proportion of the enquiries received by the average sales office are actually the forerunners of orders, but every enquiry represents an opportunity for propaganda work. As an instance of this, suppliers of machines receive numerous requests for information from trade employees who operate or wish to operate

their machines. Such enquiries should always be dealt with in a courteous and friendly manner, and plenty of descriptive literature should be sent with the reply.

It is greatly to the advantage of any firm supplying machines or appliances to educate the employees of its customers and prospective customers to the use of its products. An efficient educational plan will result in an adequate supply of skilled operators for the machines and appliances. The customers' employees will be assisted to do better work—to the distinct advantage of the supplier—and the prospective customers' employees will be interested to the point of pressing for the installation of the machine or appliance. It is well worth while in such cases to print special literature for the use of operators, to advertise in the trade union journals—offerin~ the literature—and to give lectures and demonstrations at the technical education centres.

ENQUIRIES AND ADVERTISING.

The enquiries received by the sales office should be watched very closely by the advertising department because they may give valuable suggestions for "copy" or point out defects in the advertising. A question "can such and such an article be used for such and such a purpose" may disclose an entirely new market for development or show that the advertisements are being misunderstood. Some firm's advertisements are so cryptic and technical that no-one but their own employees and their competitors understand them.

Enquiries may also suggest improvements that can be made in articles, in their preparation, packing or methods of sale. A manufacturer should never imagine that he knows all that there is to know about his products—he is often so close to them that he "cannot see the wood for the trees."

PRESS AGENTS' WORK.

The enquiries received may also give the sales office valuable material for use in supplying "items of interest" to the press. Most of our leading business houses now employ a man or woman with some literary skill to act as press agent for them, the task being to send out short articles, bearing upon the products or activities of the house. These articles must be made so interesting that they are suitable for publication, in spite of the fact that they are in the nature of free advertisements. All our newspapers and journals contain a number of these "write-ups" while some of the trade and technical journals are full of them, the editors relying upon the press agents for their "news." Preference is naturally given to firms who regularly advertise in the particular publication.

F.B.I. and Local Rates.

The following is extracted from a letter sent to local authorities by the Grand Council of the F.B.I

The Grand Council of the Federation of British Industries has been considering the serious effect of local rates upon the industries of the country.

The Federation feel that the matter is of particular importance at the present moment, as industry is showing signs of recovery, and in many directions British manufacturers are now finding it more possible to compete with foreign products than for some years past. It is particularly necessary therefore that all possible steps should be taken to assist this movement in order that the present burden of unemployment may be reduced.

Authorities differ as to the effect which imperial taxation in the form of income tax has upon industry, but are unanimously agreed that local rates, being based upon annual value without regard to capacity to pay, form a direct addition to production costs. Where the volume of production is low, the rates become a particularly heavy burden, and seriously impede a firm in its competition for business. Thus through high rates orders are lost, employment is reduced, applications for relief are multiplied, and yet higher rates are necessitated,—a vicious circle, which the Federation feel can only be broken by deliberately reducing public expenditure to the lowest possible figure. This may necessitate the postponement of desirable schemes, but even this is preferable to a continuance of high rates at the present time, particularly in those areas where local industries have been passing through serious depression. Much of the expenditure of local authorities has been imposed by statute, and therefore cannot be avoided.

In particular the Federation consider that where the re-valuation of hereditament, which is now taking place under the Rating and Valuation Act, 1925, leads to an increase in the assessable value, local authorities should agree that such increase be devoted to a reduction in the rates rather than to an increase of expenditure.

Yours faithfully,

R. T. NUGENT,

Director.

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Profit-Sharing and Co-partnership.

THE DIFFERENT METHODS.

I.—Industrial and Company Profit-Sharing.

By JAMES A. BOWIE, M.A., D.Litt.

*Director, Department of Industrial Administration,
College of Technology, Manchester.*

S.K.S.E.

Our attitude upon the problem of the relationship of employers and employed is well known to our readers, both by editorial comment and the freedom of our space which has been given for discussion of the subject. Dr. Bowie, who is an acknowledged authority upon the subject of Co-partnership made suggestions which have fructified in the present series of articles. Although our space is subjected to increased demand, month by month, we shall be glad to allot a reasonable amount to discussion by our readers.—EDITOR.

THE terms "profit-sharing" and co-partnership" are so frequently used without any descriptive appendage that the public are led to believe that the matter is as simple as it looks. They think of these terms as denoting one or, at most, two clearly defined methods of prosperity-sharing. Nothing is further from the truth.

The student of the subject is at once met by a bewildering variety of schemes which do not readily lend themselves to classification. For this variety cannot be explained by reference to the size, or structure of the undertakings that have adopted them, nor yet by the different purposes they were designed to serve. Until recent years it was true to say that the employer who embarked on co-partnership found little to guide him, and in the absence of accepted principles, diversity was inevitable. But if diversity meant many failures, it also meant many experiments.

Over 500 of these experiments have been made in Britain alone. Abroad, the United States and France stand out prominently, but almost every industrialised country can provide examples. A study of these experiments is gradually enabling us to sift the wheat from the chaff, and to lay down in outline the conditions that are most likely to lead to success. Our purpose, then, in these articles is to review briefly the different types of schemes, to attempt to pass judgment on them, and from this to deduce the kind of plan best suited to modern needs.

Profit-sharing and co-partnership schemes can,

we think, be most usefully arranged in the following seven categories:—(1) Industrial profit-sharing; (2) Cash profit-sharing; (3) Profit-sharing with benefits; (4) Deposit profit-sharing; (5) Bonus-capitalisation co-partnership; (6) "Labour Share" schemes; and (7) Contributory co-partnership schemes.

THE BRITISH COAL INDUSTRY PLAN.

The scheme adopted by the British coal industry after the three months' stoppage of 1921, and still continued in spite of the seven months' stoppage of 1926, is commonly described as a "profit-sharing" one. Strictly speaking, it is nothing of the kind, for in two important particulars it violates the accepted definition. In the first place, it is a *district* scheme, not a unitary one; and in the second, the employees' share of profits, where they exist, is given, not as an addition to standard wages, but in the form of higher wage rates for a subsequent period. Rightly viewed, therefore, the scheme is not a profit-sharing one, but is in reality a new method of wage adjustment. It was, therefore, quite wrong to criticise, as many did, the profit-sharing recommendation of the Samuel Coal Commission on the ground that it had already been applied to the industry, and had proved an indifferent success.

Nevertheless the popular misconception was not without excuse. The coal industry scheme did establish, for the first time in the history of industry, a definite system of dividing surplus proceeds in each district between wages and

profits For this reason the scheme—best described as “proceeds-sharing”—merits some consideration here.

For the purposes of the scheme the coal-fields were divided into what were intended to be economic units. This task of gerrymandering the collieries into economic groups was doubly difficult. First, because of the infinite variation of conditions throughout which gave no very clear line of demarcation; and, second, because the whole arrangement was subject to collective bargaining. The result was not satisfactory. The owners proposed twenty-six districts, the men desired complete unification, and they compromised in thirteen.

WAGE CAPACITY INDEX.

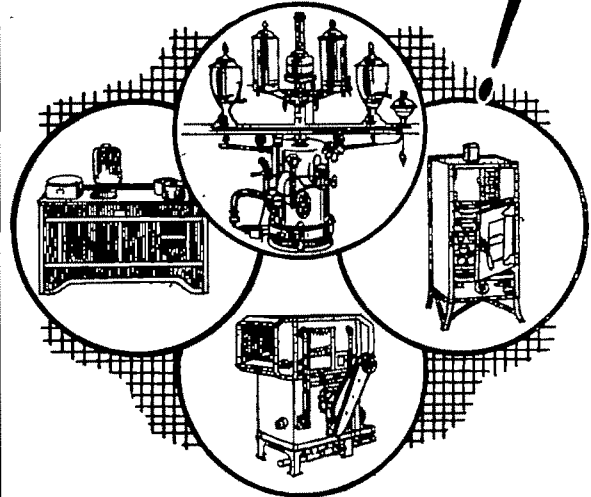
The scheme, briefly, was this. In each of these areas wages consisted of basis rates, variable from pit to pit, with the addition of a uniform district percentage, subject to periodic revision. For at least fifty years previous to 1921 these variable percentages were determined by reference to the selling-price of coal. This index of wage capacity had increasingly proved unsatisfactory and unfair to both parties because it ignored completely variations in the cost of production, and the main aim of the 1921 agreement was the establishment of a more scientific index. Measurement, accounting and publicity were the new methods employed.

From the total aggregate proceeds of the sale of coal in each district, over an agreed period, was deducted the cost of standard wages, the costs of production other than wages, and a sum equal to 17 per cent. (under the 1921 agreement), and 15 per cent. (under the 1924 agreement) of the total of standard wages. This last constituted the owners' standard profit. Of any surplus then remaining 83 per cent. (under the 1921 agreement) and 88 per cent. (under the 1924 agreement) was added to standard wages, and the total was expressed in terms of basis rates plus a percentage addition, and this determined the wages for a future period. Thus wage fluctuations, above an irreducible minimum, were made to depend directly and by an explicit scale on the amount of profits earned. During the stoppage of 1926 this principle of wage adjustment was one of the few matters not in dispute, and it has been continued in the new district settlements at present current.

WATERS OF MARAH.

But here we are less concerned to describe the method than to evaluate it. And the first question we have to ask is:—“What claims were made for it?” No one put them more emphati-

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cally than did the Prime Minister of the time. Mr. Lloyd George, speaking in the House of Commons on June 28, 1921, said :—

" I feel very hopeful as to the result of this arrangement by which all the parties feel that they are co-partners in this history, that they have a direct interest in improving the conditions of things, that if they do not improve it their wages must necessarily be cut down, that if they do improve it their wages will go up, but that their wages as well as the profits of the owner depend upon improving the condition of things. . . . I believe it will open a new era of co-operation in this industry . . . the miner obtains a direct and not merely an indirect interest in the productivity of the industry, and a direct individual incentive to effort "

It needs no detailed knowledge of the coal industry to prove that the method has not justified the mellifluous promises made for it. It has neither meant an " era of co-operation," nor has it provided an " incentive to effort," as is shown by the fact that up to 1926 there was no increase in output per shift nor any reduction in absenteeism.

HOPE AND THE HIATUS.

Indeed, these promises would never have been made if the author of them had possessed the slightest acquaintance with the history of profit-sharing. As early as 1922, the present writer, in an article in the December issue of the " Economic Journal " pointed out that such hopes were dupes. Consider, for instance, how this method is likely to appeal to the individual worker. Suppose Tom Jones is a hewer in a South Wales pit, and that in that district there are 200,000 men employed at 500 pits (the actual figures for South Wales and Monmouthshire, which constitute one district, were for the year 1924 some 248,445 persons employed at 598 separate mines) then the degree of " direct individual incentive " offered to Jones to work harder will be faithfully represented by listening to him soliloquise as follows :—

" If I work harder, and If all the other employees at my pit work harder, and If all the other employees at the other 499 pits work harder, and If the managements are efficient, and If trade is good, then I will get, If I am not dismissed meantime, a 1/200,000 share of 83 per cent of any surplus, If there be any surplus to divide "

It was monstrous to suppose that any energising influence would thus be created, and the expectations cherished by both the politicians and the colliery owners in this connection were never in the slightest degree justified.

" WHAT THE INDUSTRY WILL BEAR."

But this does not mean that the system is to be condemned entirely. It simply means that it should not have been expected to achieve some-

thing quite beyond its scope. If it has had no effect on industrial relations, output or absenteeism, it yet, when and where it operated, had a steadying effect both on the volume and regularity of employment. This scheme, first evolved by a Committee of the Mining Association in 1916, but kept in abeyance until decontrol, represented a new and daring innovation in wage regulation. It was the first, and remains the only, attempt to adjust wage rates periodically and automatically, and by an impartial system of accounting, to " what the industry will bear "

OTHER INDUSTRIES INFLUENCED.

The scheme has not, of course, been in active operation continuously throughout the years since 1921. All of the districts have been on minimum wages part of the time, and many of them most of the time. But a close study of those districts in which it has operated points to the fact that the system minimises fluctuations in employment, by providing an automatic flexibility of costs which enables the industry to cut its prices rather than its staff. Much more will be heard of this plan in the future. Had it been applied in any other industry than that of coal mining its undoubted merits would by this time have been more fully realised. As chance would have it, it was first applied amid depression and dissension, and in an industry where the difficulties of its application were at their maximum. In spite of the obscurity under which it has operated, the scheme marks the beginning of the scientific adjustment of wages accordingly to the ascertained profitability of the industry, and it seems certain that in the near future other industries will be compelled by the pressure of wage negotiations to follow the example set by the coal industry. Already the pottery, the engineering, the iron and steel, the railway, electricity, and sugar refining industries have taken tentative steps in the same direction, while the shipbuilding employers are at present urging the unions to co-operate with them in a similar plan. There is, of course, no reason why industrial schemes of this nature should not co-exist with unitary schemes to be hereafter described.

CASH PROFIT-SHARING.

Since that day in the year 1843 when Leclaire, the Parisian house-painter and so-called " father of profit-sharing," jaugled his profit-sharing bag on the table to call his workers' attention to their share, schemes of this type have been introduced in considerable numbers throughout the world. Profit-sharing is usually defined as " a system under which an employer agrees with his employees that they shall receive, in partial remuneration

of their labour, and in addition to their wages, a share, fixed beforehand, in the profits realised by his business." The typical arrangement is for the employer to offer his workers one-half of all profits over a standard percentage on capital. Suppose the standard dividend, the "wages of capital," is fixed at 8 per cent., then half of all profits earned in excess of that is distributed in cash among the employees in proportion to wages or salaries.

A DAMNING RECORD.

Judged by the test of practice what have been the results? Out of 184 cash profit-sharing schemes started in Britain before 1911, only some 26 are still in existence. This is a damning record, but let me cap it with two authoritative conclusions. In the Ministry of Labour Report (Cmd. 554) appears the following cautious summing up of the evidence:—

"On the whole, it must be concluded that, if the employer looks to a scheme of profit-sharing to stimulate his workpeople to increased exertion, and to maintain the stimulus for a long period of years, he is not unlikely to be disappointed" (pp. 247-8).

The United States Department of Labor Report states:—

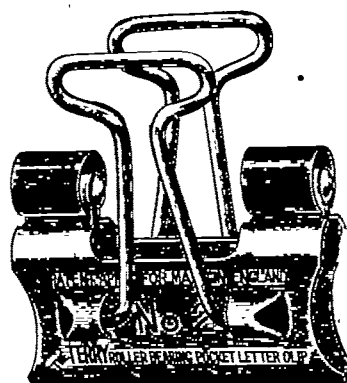
"Employers disagree greatly as to the results achieved with reference to increasing the individual or collective efficiency of participating employees. In all, only three of them stated definitely that this had been the result. All of these have paid unusually high profit-sharing dividends to their employees in the past." (p. 171).

THE LIBERAL INDUSTRIAL ENQUIRY.

In view of these conclusions it is surprising to find cash profit-sharing commended in the recent Report of the Liberal Industrial Inquiry. We are told that the Committee was "impressed by the testimony on this point of a large employer," and that it had "access to the results of an elaborate investigation into this question, carried out on behalf of a well-known firm." It admits that a large number of schemes of this type have failed, and attributes this to "unsound aims and unreasonable expectations," by which it means that these schemes have often been introduced with the object of increasing the output per head, or of increasing directly the worker's remuneration. These results, it says, may be achieved but must not be expected. The sole legitimate expectation is that industrial relations will be improved.

COOKS AND THE BROTH.

As supporting this assertion the Report quotes the experience of the large, but anonymous,



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employer already referred to. He found that when there was a good bonus the workers were apt to be content without further enquiry, but when there were no profits to divide "they were eager to know the reason why, and listened with keen and critical attention to the statement on the financial condition of the business which he always felt it his duty to put before them." We suspect that the employer in question has only recently adopted profit-sharing because it is a common experience that in the early years the mere novelty of the scheme breeds interest. The testing time comes later when it is seen that the plan offers no more than an unsubstantial bribe to the worker to guarantee to the shareholder his standard dividend. Then the "critical attention" spoken of becomes acute dissatisfaction, and in the heat of friction the scheme melts away. The employee naturally wishes some degree of control over the business that controls his bonus, and a host of difficult questions are inevitably raised. It should be added in justice to the Liberal Report that it also commends other and better plans, and in this, as in other places, it exhibits the work of many cooks whose inconsistent con-

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tributions tend somewhat to the detriment of the "broth."

THE TABLE OF DIVES.

Cash profit-sharing, then, has little to commend it to the typical large-scale unit of to-day. It does nothing to bring the workers into the business, it gives them no real stake in it, no authoritative voice in it, but merely throws them some crumbs of excess from the satisfied table of the shareholders. The annual or semi-annual cash bonus is small, variable, deferred, problematic and non-cumulative, and is a totally unsuitable vehicle for expressing the partnership ideal aimed at.

There are, however, two *exceptional* cases where cash profit-sharing may prove of value. Where the bonus distributed is both regular and high, interest and effort may be stimulated. Second, its effectiveness is in inverse ratio to the number of participants. Among high groups, i.e., managers, and small groups, i.e., in small concerns, where the employer can maintain personal contact with his men, and where each can see his place in the scheme of things, profit-sharing may promote co-operation. But, apart from these unusual cases, cash profit-sharing has nothing to commend it.



The Asset Test in Printing.

III.—BROCHURES AND PAMPHLETS.

By HORACE SHIPP

(Artistic Director of Arthurs Press)

Diagrams and Layouts by ERNEST SHIPP

(Blackfriars Press)

Much is heard of "attention value." In no case is the test greater than in that of the booklet, where a protracted story must be told of the product, with the corollary of sustained interest. The following article is intensely practical and no less interesting. Our readers are indebted to the authors for the enthusiastic thoroughness brought to the treatment of this subject.

THE step from the leaflet or folder to the booklet is one which demands a concentration of effort, a bringing up of all our reserves of printing skill, if we are to succeed. The leaflet, properly planned with its quickly-told tale and its outstanding, eye-catching features, will probably get its message home even though it does it *en passant* to the W.P.B.; the booklet is another story. Remember you are saying in effect to some perfect stranger: "Give me half an hour of your time so that I may sell you something." Remember, too, your own reactions to that portion of your post which consists of other people's announcements. The first feeling is one of mild resentment that the letter is not one from a friend, or one announcing a legacy from a deceased maiden aunt of tiresome disposition and frequent visitation. This may be modified if it happens to be a tailor's announcement just at the moment when we are planning to buy a suit, or an automobile announcement on the day we have received the insurance company's cheque for our smashed-up car. But usually the mood of the moment is one of annoyance unalloyed.

Thus the booklet demands a different psychological approach. It must take cognisance of this resentment, demolish it by the immediate appeal of its outside, entice the recipient to open the cover, intrigue him with the title page, and

then lead on from page to page so that only when he has finished reading *because he is interested*, will he have any ideas of his own time as distinct from the perusal of what you have to say. The word "entice" is one which may usefully be kept in mind. The method must be this one of leading subtly on from point to point of the argument so far as the write-up is concerned; but, as important, of leading on from point to point by the arrangement of your print. Lose your man's interest for a moment and he will remember that he is gratuitously giving his time to your business and your booklet will go west if his wastepaper basket lies at this point of the compass.

All this is not a Jeremiad against printing booklets; it is a spur to perfection. For if you succeed in holding him he will have taken in such an amount of information about your business, that he will have made it part of his mentality. So every effort must be made to make it easy, pleasant and stimulating. If you make your type-page generally pleasant to look at and give such attention to the size and disposition of your type that there shall be no eye-strain; if you choose papers that are pleasant to handle and look at, colours which intrigue and engender the mood you desire; alongside the essential attention to the goodness of the writing and the illustration, your booklet will "win

out." Also you must see that the appeal is a *uniform* one. I have seen many booklets ruined by lack of attention to this factor. Perhaps the appeal is approximately one of lightness and daintiness (if you are selling, shall we say, perfume), or of weight and stability (if your subject were dynamos). The introduction of the wrong type face, of the wrong colour note, works against the effect you are aiming at. The wise way is to envision your potential reader, call him Brown and make a mental picture of him, and then plan each element in your booklet to meet his viewpoint. In that way you will know that your dainty lady reader of your booklet on silk stockings will not like a John Hancock typeface, or that your business man buying machinery will be put off by frivolous curls and tails to the type; that your lady will probably be moved by pale green or lilac but may be subconsciously estranged by strong crimson, whilst your business man can stand the most determined colours. If you leave these matters to the printer without guidance from yourself, he will, unless he be super-intelligent incline to do almost everything in black and red, knowing enough psychology to believe that black and red are attractive and striking colours. Unity of effect, therefore, and that the right one, is the first principle.

THE BROCHURE AS FOLDED PAPER.

Type, ink and paper, the printer's trinity, become for the study of booklet printing, paper type and ink. Paper and shape are a matter of first importance. We have in an earlier article dealt with the possibility of getting away from the common octavos and small quartos, and the idea bears repetition here. The matter is of course, dictated by the question of who will read it and where, and is further qualified by the question of how you are distributing. If it is something you want your reader to slip into a pocket, the size and shape is governed thereby, if it is for a woman's bag the arrangement must be fitted. Some of the long octavos are interesting and well suited for pockets. They may need trimming in the length, but will be found to have many points of advantage—a single column to the page with a short line of type easily read, ease of handling, interesting shape for illustration. You will find in many instances, however, that the ordinary octavos (trimmed a little, maybe, to give them a more rhythmic shape) meet your bill best. But before deciding, get the office boy to cut and fold you some sheets to the standard sizes (see the second article in this series) and consider for yourself which size is the absolute best for your purpose.

Thus launched, plan deliberately the length

of the booklet. Remember that brevity is the soul of more things than wit, and that every extra four pages you add to your booklet means adding another lap to the race you are running against inattention. On the other hand, you will need to convey all your information. The wise way to plan the booklet is to govern from your own desk this casting up of the number of words and the number of four-page units they will make. The following (quite approximate) table will help:

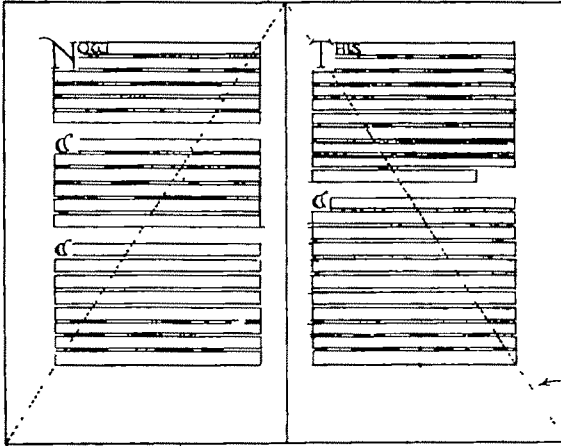
	Crown 8vo. 36 ems by 21	Demy 8vo. 42 ems by 24	Crown 4to 48 ems by 34
8 pt.	700 words	950 words	1,500 words
10 pt.	450 "	600 "	1,000 "
12 pt.	300 "	400 "	650 "
14 pt.	200 "	300 "	400 "

Having planned thus the size and the length of your booklet you will turn to the question of the paper itself. The first broad division in this matter lies between "antique" papers and "art." Antiques are all varieties with the slightly roughened surface which will not take half-tone blocks; art (and under art we include the many imitation art papers) consists of all the smooth surfaces which will take both half-tone and line blocks. In view of this limitation to the antique one is tempted to choose art paper, but the fact remains that for good appearance antique is infinitely preferable. Moreover it *feels* better, and this tactile element is one we cannot afford to disregard with regard to printing. The modern tendency, therefore, is to choose antique paper, and if illustrations are needed to get them drawn in line and mass which will print on it. Or, and this applies where the illustrations must be photographs or tone drawings, to insert pages of art paper *exactly toned with the antique*. If this is done you must remember that it needs careful planning in the make-up of the booklet so that four pages or some multiple of four comes between the pairs of pages (back and front) of the illustration. Thus if, say, pages 5 and 6 are art paper, the next two can be 11 and 12, or 15 and 16, to allow of four or eight pages to be folded in between. A few moment's experiment with some sheets of paper will show you this. Ask your prospective printer to let you see some samples of paper and plan your make-up from this standpoint. The appearance depends so largely upon this matter of the paper that it is unwise to be falsely economical here. Rather determine to say what has to be said in four pages less than print on a cheap and nasty paper.

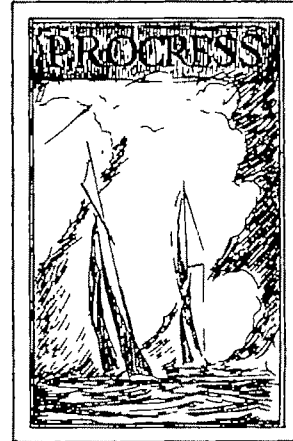
THE COVER.

Your cover paper, being the very first thing about the book to strike the senses has to be

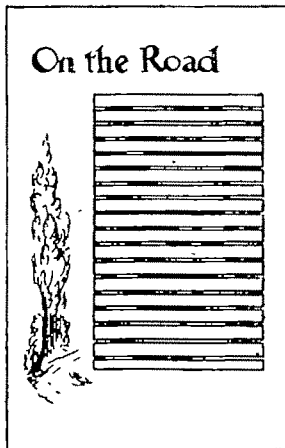
Some Suggestions for the Make-up of the Brochure



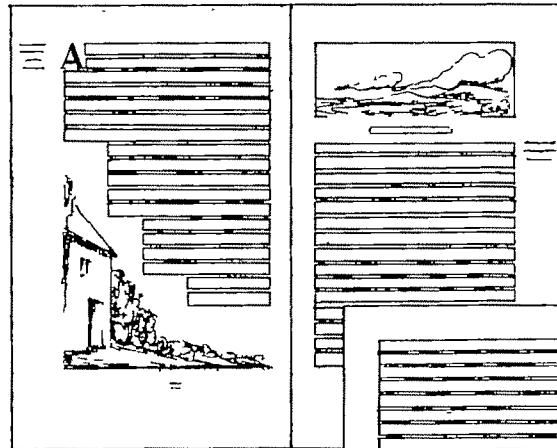
The Margin-Page on the diagonal line as shown. Outside margin equal to the two in the centre. Space at bottom twice that at the top.



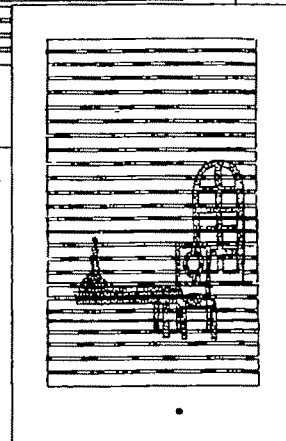
A narrow margin suitable in certain cases for title pages or full-page illustrations



Use of marginal space for illustrative matter, which must not, however, be of so great a weight as to overpower text



Illustrations inside confines of type-page



The last diagram shows a method involving two printings. Illustrative matter in neutral tint under text. Note also margins here for single page — equal at sides and top more space at bottom.

chosen with the utmost care. Try here to avoid the need for using art; it feels horrid, it marks easily, it can only be done in white and a series of faint colours reminiscent of scullery distempers. "Nature" papers and the antique cover papers generally, on the other hand, are made in the loveliest rich colours. Don't let your printer put you off with something approximately right for the cover; these papers are made in infinite variety by the good paper houses. People like Dickinson, Lindenmeyr, Gidney Rouke and many others make thrilling rich colours and lovely shades and tints. Choose one which for colour will strike your right psychological note, which will harmonise or contrast beautifully with your text paper. And then see that your design or your type display upon it is planned to bring out its appeal. Often a clever artist will use the actual ground colour of the paper as part of his design, with the happiest results. The first pleasing note is half the battle.

THE TITLE PAGE.

The second, to use scriptural language, is like unto it. The Title page will take your reader into the actual text of the book, or alas, lose his interest. Let the actual wording of that title be pleasantly provocative of interest. (It is almost impossible to dissociate this question of printing from the basic publicity and it would be a clever printer indeed who could overcome by brilliant typography the title page which gave nothing more intriguing than a posteresque display of the name and address of your house.) Often, of course, you will decide that it is happiest to plunge straight into your matter, thus treating the cover page as your title. If not, remember that the title sets the note for the text which follows. The type needs to be in keeping, the style of the layout, any border you may choose to use. Modern practice tends to eliminate the use of stops at the end of display lines, and this practice will start on your title page and be continued on the headings and sectional heads throughout the pamphlet. If your house has a distinctive device this title page may well contain it, unless you have already made it part of the cover.

The mention of borders prompts one to draw attention to the modern fashion for "made-up" borders rather than the "rule" borders which were *de rigueur* some years ago. In printing as in clothes you cannot afford to be out of fashion, and since these "made-up" borders ("made-up" because they are composed of lines of repeated units of ornaments) are very varied and often quite beautiful, it is wise to use them if a

border is being planned. If your printer has either monotype or linotype he will be able to show you suitable designs. A word of warning here. be sure your border is right in tone with your type.

TONE.

The rightness of a type display depends largely on this matter of tone, and you must see that on your title page and indeed throughout the book the separate lines of type, the ornament, initials, borders and illustration either achieve a single effect of tone or a firm contrast of two tones. The old disregard of this factor meant that the eye was worried (usually without the mind knowing why) by dark patches, grey patches and light patches thrown higgley-piggley on the page. William Morris was one of the first to call attention to the need of putting this right—of making the page a definite total unit—and although we find his pages too black for present day usage, their charm is undeniable.

We can plan, however, this heavy tone (especially if we want to achieve a feeling of weight and durability), using bold type faces, border, illustrations, etc.; or a light tone where our large lines are set in one of the modern "open types" to relieve the weight, or in spaced letters to grey down the weight; or we can plan a definite light and dark effect so long as we do plan it to be an effect—a kind of counterpoint in print if we may borrow a term from music. These comments upon tone apply also the planning of the text pages of the booklet, where although the problem may not be so emphatic as on a display page, the clash of headlines, initials and the body of the text can often ruin the effect.

Thus we have passed as it were through the house door of the cover, into the hall which gives the immediate note of the house, and now pass on to the body of the book which is the rooms of our house. Here, indeed, every touch must be our note, an intimacy must be established between us and our reader, conscious telling of facts and subconscious influencing of mood must go hand in hand to tell our story.

Here we are confronted first by the placing of the whole mass of the type on the page. Our illustrations show some experiments with margination, illustration placing and the shoulder notes (which have so much taken the place of the sub-headings in modern practice). Again we have to think in terms of the whole tone of the page. And here we meet the problem of avoiding overcrowding or thinness. This arises from our first casting-off of the amount of our



ITINERARY

For the next season, the London & North Eastern Railway has arranged a special service of steamships, calling at the ports of Harwich, Rotterdam, and London. The service is designed to provide a quick and comfortable means of travel between these ports, and is open to all passengers.

The service is operated by the London & North Eastern Railway, and is open to all passengers. The service is designed to provide a quick and comfortable means of travel between these ports, and is open to all passengers.

FURNITURE THE NEXT CHAPTER

Another chapter in the story of a new home is the story of a new chapter in the story of a new home. The story of a new chapter in the story of a new home is the story of a new chapter in the story of a new home.

The story of a new chapter in the story of a new home is the story of a new chapter in the story of a new home. The story of a new chapter in the story of a new home is the story of a new chapter in the story of a new home.

FURNITURE THE NEXT CHAPTER

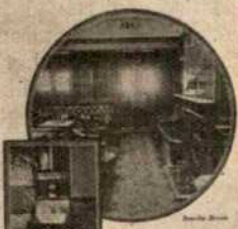
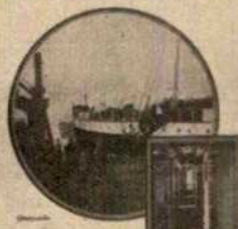


The story of a new chapter in the story of a new home is the story of a new chapter in the story of a new home. The story of a new chapter in the story of a new home is the story of a new chapter in the story of a new home.

GERMANY THE RHINE



The story of a new chapter in the story of a new home is the story of a new chapter in the story of a new home. The story of a new chapter in the story of a new home is the story of a new chapter in the story of a new home.

Cross in Comfort

THE L.N.E.R. Continental Routes, too, ensure a quick and comfortable journey. From London there is a Railmotor and Pullman Car Train to the Continent, in connection with which, and from important Continental Towns there are through Railmotor Car Services arriving at the port in time for the night express. The result, which is the largest in the Continental service, is equipped with specially furnished Dining and Smoking Rooms, Leather Seating, Cushion-tops and Single and Double-bedded Pullman cabins. Express trains connect the Continental Ports with the principal European Towns.

THE ARTS & CRAFTS BUREAU

THE ARTS AND CRAFTS BUREAU
11, Strand, London, W.C.2

AIR UNION

WINTER SERVICES
1927-1928



THE SOCIETY OF INDEPENDENT ARTISTS

CORDIALLY INVITE
You to View Their
PAINTINGS and
Drawings
at 81 and 83, Oxford Street, W.1.
Hon. President: FRANK BRANGWYN, R.A.



SECOND EXHIBITION
commencing February, 1928.

YORKSHIRE COAST AND MOORS



SPRING

Smart
Style's
Smart Men
1925



matter. If we have not allowed enough matter it will inevitably make the whole booklet look thin unless we can plan it cleverly to disguise this fact. The carrying of line drawings into the margin will often enable us to have wider margins without any loss; indeed, if there is space let it go to the margins, never try to thin the type out by "leading" (i.e., putting space between the separate lines). This inevitably greys the page and should only be done when the type used is a heavy face. The excellent booklet of Shoolbred's Modern Furniture illustrates the point. Here there is very little matter to the page, but clever use of margin, the use of black type which can be leaded, a double column to avoid the use of a long line of smallish type, and an illustration which carries the eye out into the margin. Notice too the use of the type arrangement from the cover to the headline of the page, and the abso-

lute uniformity of feeling in lettering and subject matter.

Another matter which concerns us immediately with the wide matter of page design is the question of the width of the line. Especially if we use a quarto size for our page shall we find ourselves against this problem of the length of the line in relation to the type size. The following table will help as establishing the approximate greatest length of line for certain sizes of type:

18 point	(4 lines to an inch deep)	36 ems	(6 inches)
14 point	There are 72 points to	28 ems	There are
12 point	the inch in type mea-	24 ems	6 ems to an
10 point	surement.	19 ems	inch in
8 point	...	15 ems	type mea-
6 point	...	12 ems	surement.

The need for simplicity of effect does not need emphasising at this date. We have only to remember our principle of making it easy for the reader. I received at Christmas the catalogues of two London drapery houses. For actual type-setting both would have cost about the same per page and both contain approximately the same amount of matter. Now look upon that picture, and on this:

JAY'S WINTER SALE

Ready-to-wear—Second Floor

These Suits and Frocks are typical of a large collection offered at bargain prices.

Ensemble of Coat in cedar velours and frock of mushroom wool georgette. The coat is straight and slim, with a collar of mink lapin. The frock has a two-tiered finely-pleated skirt, and youthful square neck.

Usually 16 gns.

Sale price 14½ gns.

Tailored suit of fine men's suiting in this season's pheasant colours. The double-breasted jacket is smartly shaped to the figure at the back, and lined with crêpe-de-Chine. The skirt has two pleats at one side. Usually 12 gns.

Sale price 9½ gns.

Ingenue afternoon frock, very slim and straight, of black "ring" velvet with moiré belt. The cuff and new cross-over neckline are edged with narrow lace, and there are cut-steel buttons all down the front. Usually 12½ gns.

Sale price 10½ gns.

Afternoon frock for the older woman, of brilliant dice-patterned velvet, banded with plain crêpe-de-Chine. Fullness is held at one side of the skirt, which is slightly lifted, following the line of the surplice closing. Usually 16½ gns.

Sale price 12½ gns.

A lovely picture frock of pink taffeta. The skirt is banded with georgette and silver lace in an old-world pannier effect. Lines of silver lace run from the shoulder to a big Victorian posy at the waist. Usually 15 gns.

Sale price 12½ gns.

Evening frock of heavy crêpe Radieuse. The skirt is plain at the back and very full in front, falling in swinging folds from the draped girdle to the uneven hem. Blue, pink, sapphire, black. Usually 12½ gns.

Sale price 10 gns.

Ready-to-wear Department 2nd Floor

JAY'S LTD.

REGENT STREET W.

INTRODUCING Big Bargains from CATESBYS SHOP for MEN!

THERE ARE OTHER BARGAINS in the Men's Dept.—scores of them—TIES, SOCKS, SHIRTS—everything for Men and Boys. Look in if you can. You'll be surprised at the savings we offer.

Special Store Hours during Sale
9 to 6.30 Saturdays 9 to 1

Overcoats

END OF SEASON—
Stock MUST be Cleared!

Ready to wear all sizes in stock. Variety of fashionable colours and styles. All well-cut. Coats taken from regular stock. End of season. Stock must be cleared to make room for Spring goods.

MEN'S	SALE PRICES—
Usual prices 45/- & 65/-	33/6 & 41/6
YOUTHS'	SALE PRICES—
Usual prices 25/- & 30/-	17/9 & 21/6
BOYS'	SALE PRICES—
Usual prices 18/6 & 23/6	15/- & 17/9

BOYS' Jerseys

in the following colours: Emerald Green, Navy and Navy

Sale Prices:

3/11 & 4/11

BOYS' PULLOVERS

Attractive designs strong quality

Sale Price 2/6

BOYS' Fancy Top HOSE

Small 9d. per pair. Three pair for 2/-

Large 1/- and 1/9 per pair



SUITS READY TO WEAR

In an attractive variety of strong hard-wearing cloths, all good patterns but in complete ranges. Occasions that MUST be cleared.

MEN'S SUITS ALL SINGLE-BREADED STYLE

Usual Prices 50/- 60 & 80/-

Sale Prices 20/-, 30/- & 45/-

BOYS' KNICKER SUITS

Usual Prices 20/- & 25/-

Sale Prices 10/- & 17/9

YOUTHS' TROUSER SUITS

Usual Prices 25/- & 30/-

Sale Prices 13/9 & 20/-

Men's Trousers

Good Serviceable Toned Cloth

A good range of colours and patterns. Usual Price 10/6 per pair

Sale Price 6/11 PER PAIR

Heavy Quality 10/6 PER PAIR

BOYS' ODD KNICKERS

An Attractive Toned Pattern and Good Quality New Style

Sale Price 3/11 PER PAIR

CATESBYS Ltd., — MEN'S SHOP, — next to Goudge St Station LONDON, W 1

Page 6

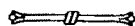
Comment is needless. If the firm doing the old-fashioned typography argue that they are appealing to a cheaper public we reply that every

public accepts the best and subconsciously understands the difference, whilst one public consciously is annoyed by the bad.

THE SECOND COLOUR.

In the old days they used to sell the rhyme-sheets "penny plain, tuppence coloured"; and the use of the second colour is one of the problems we must face in planning our pamphlet, for it will add to the cost though it will not add 100%. Paper, cost of writing and illustration, will remain static; composition costs will be increased very little, and actual machining costs will be increased approximately the 100%. The result will probably be an increase of less than one-third in cost and against this one has to write an increase of something much greater in efficiency and appeal. It is again the policy of not having the cheapest printing, but that which you can best afford—the most effective.

The principles which we have laid down to govern the planning of pages will apply again in this matter of printing the second colour. Don't dot the colour all about the page, watch the difference in tone which the use of a colour gives; see that your colour is the right one for psychological appeal in that connection. Remember that colour has the most immediate reaction on the human mind after light and sound, and the claim of the second colour will make itself felt. Initials, borders and headlines are the first obvious claimants to the second colour. Sometimes it can be brilliantly used for rather precious effects as an underlying tint or light line drawing. Sometimes as a heavy mass in or a pleasant shadow tint underlying the illustration. We intend to deal with this problem of effective illustration and block-making in the next article of this series. For the nonce we finish on the problem of the booklet at the psychological point from which we started. It must in every particular meet the potential reader half-way, must make his reading easy, put before him with the least strain the points of your business which you need to emphasise and he desires to know; and in paper, type, placing of type, use of colour, or ornament, of illustration, must anticipate his preoccupation with his own affairs and be so skilfully diverting as to ensure that he attends to yours.



Have you made use of our recently introduced Legal Service in the interests of your business? Advice is free, authoritative, and individual to every case. See reply on p 378.

The Use of Initials



T was this side which n
when he became self-
at the time of her exp
although it was the ag
leading mathematicians were Py

*The above has too much "white"
around initial The "T" in word
"It" seems disconnected.*

ITHDRAW and seques
conversation; such as is
some of the heathen; as
Empedocles the Sicilian, and Ap

*The matter brought up close
to initial gives a much
better effect.*

OW once again the rumo
From mouth to mouth, as
That anyone who ruled the wav
Could make the Britons almost

*A simple initial is usually
better than those heavily decor-
ated. In instances such as
this Wren initial allow
serif to overhang margin*

THE RETAILER'S WINDOW.

Making and Changing your Window Advertising copy at will.

ALTHOUGH the Maseeley Showcard Process has been in use for a number of years, and is—in principle—fairly familiar, a brief recapitulation may be of interest.

Coloured adhesive paper is cut to shape and crushed into cardboard, at a single operation, by means of a press and a selection of cutting type or dies. The surplus paper is removed and the selected matter remains permanently embossed upon the "ground."

An unskilled employee rapidly learns to operate the process and to produce striking, artistic cards at a fraction of the cost of hand-writing or printed tickets. Display matter is directly under the control of the management; there are no vexatious mistakes due to the work going "outside," and—above all—no delay. Cards are made as required in a few minutes. The sales matter and price tickets for a new line can be ready for the window before the goods are unpacked, special shows arranged at short notice without recourse to hackneyed "stock" cards, and the display expert's own ideas materialised before his eyes.

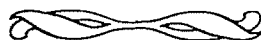
Tremendous development in the machines themselves and in their application has been made, and it is scarcely an exaggeration to say that the whole process has been revolutionised.

The comparatively slow operation of the early machines has given place to speedy production on a frictionless model, capable of embossing a complete showcard at one impression, and the former limited scope of the process has widened to universal utility. The greatest advance is, perhaps, in the matter of speed in production. Improved frictionless presses and power-driven

models, better methods and new materials have combined to produce a practical manufacturing output which commends itself to the large User. Retail distributors, generally, find in the Maseeley Outfit an inexpensive and highly efficient display and ticketing process, whose attractiveness, finish, and output are a revelation. Manufacturers also can—and in fact, a great number of manufacturers do—produce their own direct publicity showcards. The "set" Type card has evolved into the elaborate pictorial showcard, produced entirely upon the machine. The bold, modern technique and rich colouring of to-day's Maseeley cards have a powerful selling appeal, while their novelty commands an attention which the ordinary lithographed showcard cannot rival. The modern Maseeley card is, literally, a new form of advertising.

Development may be gauged by the fact that Messrs. Masson Seeley & Co., Ltd., the patentees, recently installed with a large multiple business in the north of England a complete publicity department—plant, material and personnel—at a cost of upwards of £4,000.

The Maseeley organisation has, of course, always been founded upon service, not merely marketing a machine, but furnishing a complete process in going order, and this aspect of the business becomes increasingly important with the enlarged scope and range of its application. Constant research and experiment by the Company's own experts, and collation of experience from Operators all over the world, furnish the material for advice and assistance given willingly to all Users, with a corresponding improvement in quality of work and speed of production.



Legal Service.

L/50.—On the facts disclosed in your letter, the following conclusions are arrived at:—The agreement (if the copy supplied is exact) is insufficiently stamped and before you could enforce it in Court you would probably have to pay some penalty to the Inland Revenue Authorities. Such penalty would not exceed £10.

The important point is that the purchaser has gone into possession and although it might be possible to make him pay interest on the balance of the purchase money at the rate of 5% per annum from the time he went into possession, until actual completion, you could not charge rent in the absence of any Agreement between you and the purchaser. It is essential that you em-

ploy separate Solicitors. Your best policy will be to hand over the Deeds to such Solicitor and let him take up the matter with the purchaser or his Solicitor.

It would have been much better to have employed a Solicitor from the beginning and thus have avoided the present situation, which is very unsatisfactory to you and which can only be remedied in the light of the full knowledge of the Law on the question. If you will send under Registered Post the Deeds and all other matter relative to the under-mentioned address the matter will be dealt with immediately and effectually.

Cut down your Costs

on Price Tickets and Showcards

SAVE 90%

*And have the kind you want
—when you want them.*

By installing a

MASSEEELEY

REGD TRADE MARK

SHOWCARD MACHINE

You can make your own display cards, price tickets, etc., on your own premises.



Let us send you particulars, and quote for your individual requirements — without obligation to yourselves.

MASSON SEELEY & CO., LTD.

MASSEEELEY BUILDING,

HOWICK PLACE, WESTMINSTER, S.W.1.

Telephone, Telegrams, Cables: Victoria 7970. London,

ALSO
MELBOURNE, BRUSSELS, CAPE TOWN, THE HAGUE.

Planning the Poster.*

By CECIL BURTON,

Managing Director, The Partington Advertising Co., Ltd

Chairman, London Poster Advertising Association

Last month's article got right home and drew the comments of many Advertising Men. This month the Author, true to his promise, analyses "appeal" and with commendable courage, deals with the posters of the Empire Marketing Board. This is a subject which many of us will confess that we have discussed, sub rosa, as it were. Here the issue is definitely in the open.—EDITOR.

"PSYCHOLOGY" is a very intimidating word, and very bad propaganda for the psychologist, who, if his science is to appeal to the ordinary man, must find some other word, better to look at and easier to spell, to represent him. The advertising man in conclave with a client must go warily with such words. They so frequently produce an impatient jerk of the head or a defensive expression which means "I am being enticed out of my depth and must tread warily." Yet what is psychology but that faculty we all possess to a greater or less degree of seeing into other people's minds and living their lives, or such parts of them as are within our own experience of imagination, with them? It is not too much to say that no man, whether or not he is horrified by the word psychology, can succeed in the advertising world unless he has this instinctive sympathy, this power of seeing the other fellow's point of view, very highly developed.

THE INDEX.

Now that we have divested the word of some of its terrors we may approach with more confidence our task of relating the message and design of a poster to our knowledge of the characteristics of its beholders.

We have already decided that the main purpose of the poster is to make a popular appeal to as wide an audience as possible. This means that our message must in any case be largely directed to ordinary everyday people, and as the mass-produced and standardised article becomes more and more the occupant of our board-

ings we are dependent to an ever-increasing degree upon these ordinary people for support, since the upper classes still indulge an expensive preference for "something different."

Who are these ordinary people we wish to coax into buying our product? To be truthful you and I are ordinary people, but our lives are somewhat more complex than those millions of wage-earners who lead humdrum lives, seek simple pleasures, think obvious thoughts, and whose motives are in the main a series of elementary emotions. They buy three million copies of the "News of the World" each week, five million copies of the Sunday picture papers. Do not these two facts give an index to their characters in telling us that they have "human" interests and appreciate pictures?

THE PROSPECT.

Our Man in the Street is impervious to abstract reasoning. He is totally unlike that "white-headed boy" of the economic theorist, the "Economic Man" who, far seeing and altruistic, systematically analyses a problem, and proceeds logically through a maze of conflicting theories to a quite impracticable conclusion—and who never existed outside the covers of a book.

The everyday human man is an elementary creature. His wife, despite the modern novel and the assurances of the lady herself, is even more simple, though shrewder. These are the people to whom we are attempting to sell our product, who we have to persuade to spend their hard earned money on our particular item of

merchandise rather than a hundred others all clamouring for their attention.

THE QUESTION.

It is impossible to over-emphasise this obvious simplicity of the instincts and habits of our Man in the Street, nor yet to deprecate too strongly the "sublimation of the motives of simple people" which is quite frequent even to-day in advertising. The advertising man is a normal egoist and sometimes the fact that he is ascribing his own motives and thought sequences to the people he is attempting to address, escapes his notice. He still tends to design an advertisement to satisfy his own aesthetic requirements rather than the unadorned instincts of our "Man in the Street."

The human being like every other animal has an instinctive distrust of what it does not understand. How shall we design our appeal so that it shall not be above the head of John Citizen and thus antagonise him. How shall we make our poster attractive to *his* eye, easy to *his* understanding, outstanding in *his* memory, provocative of action on *his* part?; remembering that he has an instinctive liking for pictures as a short cut to his understanding, and as a touch of colour in a drab existence; bearing in mind that it is an obvious advantage if we can show him our product in use, and remembering always the characteristics of current posters so that we may make ours different, different not from what they are now, but what they will be when our bill is published—one problem alone which puts the football forecast coupon in the shade!

CHANNELS OF APPEAL.

Shall we make our appeal humorous? We are told by men famous in our profession that advertising is a serious business, that extracting money from the pockets of the community is not facilitated by a humorous approach to the subject, and much more in the same strain. And yet I for one have still to be convinced that the use of fairly obvious humour is a wrong way to attempt to sell a product to the masses. Why does Mrs. Man in the Street buy Bovril? Because she likes the humour of "Alas! My poor brother" and its many clever successors, or because she believes and remembers that bit (which many of us have not yet fathomed) about the "body-building power of Bovril" being "from ten to twenty times the amount taken"? I wonder if our dismal counsellors have noticed what a high proportion of entries for slogan competitions and the like have a humorous bent, or what the author intends for such! And be it noticed that these naïve amateur advertisers are doing just

PLANNED...

There are more new posters than ever on the hoardings. All clamouring for attention... and getting it. Do you notice how some of them, although no more numerous than their rivals, seem to be everywhere? They are the PLANNED posters, planned in design, planned in appeal, planned in their placing.

May we plan *your* poster displays? It will cost you no more at the outset, and very much less in the end. Why not leave it all to us. The

PARTINGTON
ADVERTISING CO., LTD.
VICTORIA EMBANKMENT

(Next to Temple Station)

W.C.2.

City 6718/9

Central 2695

what the unwary professional does who sees no farther than his own particular leanings in framing an appeal to other people. This ingenuousness on the part of the public gives us a very valuable clue as to which of our varied lines of appeal most attracts them. So let us be funny by all means. We would like Worthington's "bottled play titles" on our hoardings—only the play may have disappeared before our poster gets a chance!

It will perhaps be easiest to continue our analysis of the problem of poster planning by examining current advertisements from the standpoint of the theory we have laid down, remembering always that destructive criticism is easy and constructive criticism very difficult.

THE LIMP AT OLYMPIA.

We shall make a safe beginning by praising the very beautiful "Lux" poster by Septimus Scott which was placed first in the Ballot at Olympia. This bill is noticeable as well as beautiful, the airy daintiness suggested by the ballet girl poised among the soap bubbles is admirably calculated to appeal to prospective users of the product. Not that we can place too much reliance on the verdict of Olympia, since it was arrived at from a careful study by advertising men and enterprising members of the public of a number of bills with which many of them were already familiar. Their verdict cannot assist us very much in assessing the real values of new bills which will certainly not be considered but generally only glanced at. For the most we can usually expect for a poster is for someone to say "That's good" and then forget it until it turns up again to repeat its message and engrave it deeper on the consciousness of the beholder. Comparatively few of the Olympia entries were made by those millions of wage earners to whom posters should be *planned* to appeal. So that we are not much nearer discovering just what *they* like.

THE SUBTLETY OF SUGGESTION.

It is not easy to see why Mr. Harrison's "Ideal Milk" poster showing a tin of milk pouring over a bowl of fruit was not better received by the Olympia voters, especially when we remember that the product is being shown in use, the tin illustrated, and the whole picture drawn in clean colours in a very attractive and appetite-creating conception. The same difficulty arises with Mr. McKnight Kauffer's "Eino" Rooster now appearing again on the hoardings. We can only surmise, from the fact that such theoretically excellent bills were more or less neglected, that the artist's idea of the public

taste is too exalted, especially when we remember the type of bill which was highly placed in the ballot—"Golden Gloria," the blue eyed Nestlé baby, and the child talking to the Southern engine driver, the latter especially being a very mediocre poster. These latter were all bills having a human and sentimental appeal. Must we stick to these to be successful?

Let us leave Olympia and explore elsewhere. Do you remember last Summer a picture of a disconsolate tube traveller without a newspaper, surrounded by happily engrossed readers of the "Daily Sketch." "There was a most unhappy wretch who never read the 'Daily Sketch.'" That to you and I is a most horrible jingle of banjo poetry, and yet it is well calculated to stick in the memory of the Man in the Street. "One person in every thousand is mad, the other nine hundred and ninety-nine sing the songs he writes!" But does the Man in the Street buy this paper or is its appeal directed to his womenfolk? In any case would it not have been better to consider our unhappy wretch as usually on our side, but having forgotten to buy his paper on this particular occasion—"who forgot to buy his 'Daily Sketch.'" Now the unhappy wretch is not you and I who do not buy this paper but a regular reader who broke a good habit. We have abandoned a dangerous hint that the non-reader of the paper is the wrong sort of person, which is a fundamental and serious error.

"1928 New Year's Resolution—Buy the 'Morning Post' daily." What is your reaction to that? You can't buy the "Morning Post" every day? Exactly, but you have been enticed into devoting more than a passing thought to a poster! I think one day we shall have to introduce an obvious spelling error into a poster, just to have people point it out to each other and us, and feel very pleased with themselves at having discovered it. Long after they have forgotten the error they will have a friendly memory of the subject of the poster when they are reminded of it.

Do you notice the big "Truman's Stout" poster on the hoardings? How clean its colouring, and jolly its subject, how big it appears in comparison with other bills of the same size. Its colour scheme is different from anything else on the hoardings, the expansive effect of a white background is very cleverly employed, and there is a simple unity of design which makes the whole bill stand out from its fellows. The catch phrase is very obvious to you and I, but it is just clever enough to make a pleasant stir and stick in the minds of the people it is meant for. This is a bill to remember as an example of what a success-



*Keep it
in the Family!*
**BUY
EMPIRE
GOODS**

"We have here an eye arresting picture embodying a homely phrase which our Man in the Street will be disposed to believe and repeat even if he does not know just how it all comes about."

[SEE PAGE 385]

ful poster looks like when we are struggling with the different elements of a new design and adapting them to avoid the pitfalls which gape eagerly at us at each step.

EMPIRE MARKETING BOARD.

It has been shrewdly said that Wembley was a financial failure because the posters were wrong. They were not designed for the Man in the Street.

erected are too small and say too much to be effective.

In some slight degree these posters may serve to educate the public as to the tendencies of modern art, the statistics may be useful in the "Do you know?" craze, but as appeals to the popular imagination they are wasted.

"And walk with Kings nor lose the common



They had a highbrow and educational tendency and very little human appeal. The same faults mar the efforts of the Empire Marketing Board. They are giving us some delightful pictures but few posters. These pictures of the E.M.B. are dignified in sentiment, entirely admirable in drawing, models of good taste, and ENTIRELY INNOCUOUS. They are the exact expression of the mentality of the Higher Civil Servant, including the traditional disregard of expense. Moreover the special boards which have been

touch." The E.M.B. appears to have lost that common touch.

Knowing that the poster can enlighten the masses, how would we set about the task of converting the waiting multitude that the E.M.B. has so far ignored—?

Instead of a confusion of odd extracts from Blue-books let us drum home simple lessons in Empire economics. Turn back the page for a

moment and consider the "rough out" shown there.

We have here an eye arresting picture embodying a homely phrase which our Man in the Street will be disposed to believe and repeat even if he does not know just how it all comes about.

"Keep it in the Family" is an appeal based on both the sentimental and the financial foundations of the Empire, and it is not difficult to devise others on the same lines. We have

impart to every line of their work. Would not something of this sort at once awaken a keen interest and an infectious enthusiasm in that vast multitude of potential converts which the E.M.B. has so far left stone cold?

Something of the newspaper cartoon and of the "comic strip," something of the conjugal backchat so popular in the music hall, something to show Mr. Everyman just what we want him to do and how easy it is (Mr. Drage knows all about this). That is what is wanted in a series



already done something to humanise the E.M.B. plan of campaign, but even now we tend to follow the accepted geography-book technique of the E.M.B. posters. Let us see if we cannot get right away from the atmosphere of the lecture-room and start anew with a mixture of human interest, homely sentiment, and simple humour in a series of tableaux built around John Citizen and his wife—Above is the nucleus of one of them.

Here is a poster entirely divorced from high art and dismal statistics. Imagine it as the first of a series of homely exchanges and friendly rivalries depicted with all the humour that Arthur Watts, Leete, Belcher, or Wilkinson can

which would grow to include the whole family down to the cat. Full of little humorous situations they would be, and not a bit clever. Soon they would be looked for and a new one would be an event of national importance. For the Man in the Street is not at all anxious to explore the foundations of Empire, but he would dearly love a chance to join in some fun!

Undignified? Vulgar? If you are that sort of person, if you demand of other people that they should respond to your own purely personal likings, Yes. But have we not produced a symbol to bind together all the talk about Empire Marketing and brought it to life.

(To be continued.)



A "B.O.M." Section to Promote the Study of Languages, for the Improvement
of International Understanding and World Trade.

Exclusive to "B.O.M."

By C. W. FRERK,

International Editor, "B.O.M."

AMONG the most gratifying features on the language study promotion side are the efforts made by the daily press, and the wireless authorities. With their support and far-reaching influence, we have at last reached a stage in this country, where the widest possible public audience is being made acquainted with the importance and the advantages of the knowledge of languages.

THE DAILY DOSE.

Whether or not the methods of instruction adopted by the just mentioned sponsors are suitable and effective, is another matter. The morning paper which offers its readers the *daily dose* in five languages (including American) does not seem to have been very fortunate in its selection of its "**foreman of the tower of Babel**," judging by several unhappy phrases which creep into those after-breakfast-lessons.

Nevertheless, the attempt is a bold move on the part of a daily newspaper, and when I recently complimented the Editor of this paper on his views on the language question, I certainly had no idea that his reply would be in the shape of a *Spalte quotidienne en cinco lingue*, to put it in four of the languages used, the fifth (*Amurrican*) being unknown to me, except that I like a good yarn when I can see the joke.

At first one is doubtful as to whether the columnist intends to be serious or not. He spoils the good cause by giving it the magic-patent-medicine-aspect,—and that is a great pity. The "*daily language dose*" is not a bad idea at all, but the imitated pronunciation should at least be one with some chance of being understood when "*imitated*," especially

when conversation, and not literary ability, is the chief object aimed at. In this respect, however, the newspaper in question fails.

On the other hand, the selection of French, German, Italian and Spanish is very commendable; these are undoubtedly the four most important languages to which serious attention should be paid in this country. We have dealt with the general aspect of these languages already, but will come back to them, when we deal with some of their peculiarities and idioms.

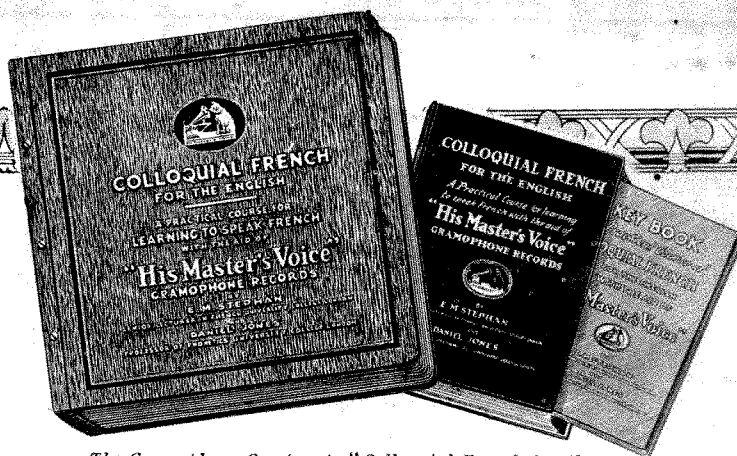
WHERE ARE OUR LINGUISTS?

The meagre results of our Language Competition, as well as the tests submitted to several "*linguists*" who applied for the position of foreign correspondent at our offices, have been extremely disappointing. Whilst there were several applicants who really have a sound basis for linguistic ability, and who could translate admirably well from the foreign language into English, we have found none whom we might call "*fairly good*," where translation from English and the use of the foreign language are concerned.

From our own observation, the chief reason for this inability seems to be lack of practice, and a few hints in this respect may be welcome to those who really are anxious to attain proficiency in the languages they have learned or are studying, whether by oral tuition, self-instruction by correspondence, or by gramophone.

ECOUTEZ!

It has been repeatedly emphasized in these pages that the training of the ear to the foreign



*The Gramophone Company's "Colloquial French for the English" is the latest addition in the field of language instruction by gramophone records. That one of our biggest and best-known gramophone companies enters the sphere of education is commendable. The records are H.M.V. quality—reproduction of a very high standard.
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sounds is of special importance; we mentioned that oral tuition by a competent teacher, privately or at one of the well-known language institutes, as well as instruction by gramophone records are the two methods most suitable and practical for training the ear. Those students who have a gramophone course are, of course, at an advantage inasmuch as they can train their ear as often as desired. Those students, however, who follow oral courses, once or twice a week, and especially those who have taken up a correspondence course, must supplement the valuable help and hints they obtain from their instructors, by their own initiative.

Of special importance with these supplementary home studies is the selection of the text matter. As far as books are concerned, we mentioned already one or two last month. Other suitable books would be Bruno's "*La France et les Français*," for French, Salvatore Farina's "*Il Signor Io*," for Italian, Palacio Valdes' "*El Pajaro en la Nieve*," for Spanish, and Freitag's "*Soll und Haben*," for German. It is essential to select books which deal with the country and the people whose language one studies, as the atmosphere of these books will increase interest, and make progress easier.

READ NEWSPAPERS.

Of special value in these studies are the big national newspapers of the various countries. Events of world-wide interest are being discussed in the newspapers of all countries. When comparing, say, a certain copy of the "*Berliner Tageblatt*," or "*Le Matin*," or the "*Corriere della Sera*," with a copy of the same date of one of our big English dailies, the student will find that there are many reports on similar subjects in all of these papers, subjects with which he is, to a certain extent, already acquainted from his daily newspaper reading.

When comparing such articles, the student will find that there are quite a number of words and expressions in the foreign article, which have a close resemblance to the English text. Another advantage is that, whereas a novel or other book, the publication of which dates some time back, may contain a number of old forms of expression, the daily newspaper presents the present-day language, generally in its simplest form, as it is printed for the general public. The text matter of many so-called language text books is frequently stilted and unnatural. The student requires text matter that can easily be understood and is not tiresome, and this is found in the newspapers, which also express the spirit and thought of our present time, which alone is capable of holding the student's interest.

Take a French paper, for instance. Even if

you do not know French, you will be able to decipher quite a number of words and even phrases which—partly written the same as in English, partly with little deviations,—convey the same idea as the English equivalent; to give a few examples: *télégramme, station, novembre, civilisation, prince, Europe, l'attitude, général, lettre, les affaires internationales, négociations commerciales*, etc., etc. This relation between languages is of great help to the student of French, but it is also found in German, as for instance: *Telegramm, Station, November, Zivilisation, Prinz, Europa, international, Hand*, etc.

A HAUTE VOIX!

The student should study such newspaper articles very seriously; above all, he should read them **aloud**, over and over again, so that his ear gets used to the foreign sounds. He should then translate the article into English, lay aside the foreign original, and translate his English version back into the foreign language, and compare his results with the original, make necessary corrections, and study closely where he made mistakes, and the nature of his mistakes. If this is done twice or three times over, the student's re-translation should be very close to the foreign original.

After newspapers, theatrical pieces, drama and light comedy, are the most suitable for language study purposes, because these contain all those forms of expression which occur in daily speech, colloquialisms, etc. With these the student should proceed in the same way as with the newspaper articles, always reading aloud, always correcting his own work.

Certain language institutes on the Continent, for instance, make it a practice of having their students study and afterwards perform certain theatrical pieces, as this is the most practical method of training the student to the actual use of the foreign language he learns, in an extremely fascinating and effective form.

2LO.

The would-be-linguist should take advantage of all additional opportunities of language instruction offered to him, outside the particular course he may be following. The B.B.C., for instance, is continuing the wireless lessons in French, whilst the German course will have finished by the autumn and Italian may take its place. The B.B.C. French talks are conducted by M. E. M. Stéphan, whom our readers will remember as the compiler (with Professor Daniel Jones), of that excellent gramophone course of "**Colloquial French for the English**," issued by The Gramophone Co., Ltd. ("**His Master's Voice**").

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MANCHESTER, 41, Oxford Street.

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EDINBURGH, 100, Princes Street.

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TRIAL LESSON FREE

etc., etc.

M. Stéphan has been trying out a novel experiment; He has had a student of French in the studio with him; the student repeats certain words and phrases after M. Stéphan, who then corrects the pronunciation and intonation. Provided that the reception by the listeners-in is clear, this novel method should benefit thousands students.

We have deviated this month from our usual presentation of this Language Section, because, as our readers will no doubt agree, the WHY has already been dealt with sufficiently, and the reasons and advantages of knowing languages are now apparent.—We consider it much more essential to deal comprehensively with HOW, as we have done in this month's section. We shall continue our hints and suggestions to students of languages, and also deal more widely with the commercial aspect of various foreign languages.

سَاءَ الْفَتَاءِ شَرِّ فِتْنَةٍ

Under WHICH we intend to bring some interesting articles on Turkish, Arabic, Russian, etc., and the writing of these languages, because, although there are quite a number of people who can speak these, there are comparatively few who can read and write them, and we shall bring some simple method of acquiring the ability to write Russian and Arabic characters, which should prove particularly useful.

We should like to make another offer of service to language students who seek practice. There is no better form of practice than correspondence with someone who commands the particular language thoroughly. We are willing to bring would-be-linguists in touch with "B.O.M." readers abroad, and establish relations by correspondence. Esperantists are very great in this, and there is no reason why students of living languages should not avail themselves of similar

facilities, which are not only extremely helpful, but also exceptionally interesting, spurring the student on to attain proficiency.

Traduttore—traditore . . . Translator—traitor . . . III.

A German, or a Frenchman who would attempt to translate Tennyson's "*Idylls of the King*" into his respective language, would need to be a poet as well as an efficient translator. Anybody will realise this.—In order to translate Macaulay's "*History of England*," the translator would have to be thoroughly acquainted with Macaulay's historical method, and he would also require a sound historical knowledge. This applies to all scientific and all technical branches of literature.

An engineer who specialises in industrial chemistry, could never undertake to translate a technical treatise on spinning, because he knows that special technical knowledge of the spinning industry would be absolutely essential. It follows then that the translator must be a specialist on a certain subject. Scientific, technical and legal translations must be done by experts, specialists of the country into whose language the particular piece of literature is to be translated; only then can accuracy of style and technical terms be guaranteed.

Before placing translation orders the business man should consider all these points. If only some advertising managers could hear the homeric laughter and gibes of some of his foreign prospective clients who read the sales literature that has been translated by **some** translator, just **anyhow**, he would certainly be more careful in future, and make sure that his translations are done by translators and translation bureaux, whose collaborators are specialists who realise the importance of the translator's moral obligations.

It would seem that there are translation bureaux established for philanthropic reasons. But philanthropy is of no use when it damages the

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business man's economic interests. Some translations are indeed only fit for the w.p.b.; they do more harm than good; others are only suitable for publication in comic papers, and indeed have found their way into those pages.

Negligence of accuracy is the most condemnable sin of any translator. But only too often the business man himself is to blame, if he considers the cost of translating before anything else. The translator's lot is not an easy one, but the efficient and conscientious *traduttore* will never turn *traditore*, because he is proud of his knowledge, he loves his work, and is fully aware of his moral obligations and meets them joyfully.

After all, is he not **the manufacturer's confidential aide-de-camp**, upon whose knowledge depends so much, if not everything, where the printed word in a foreign language is the only means of communication? However well the original text of a piece of literature may have been written, however accurately sales argument and technical descriptions may have been worked out, the translator can make or mar the success of all efforts, and when this is realised the manufacturer will not query the cost of accurate translations which constitute his only means of making known, and of selling, his products.

ANSWERS TO CORRESPONDENTS.

H.G.—We are afraid that your knowledge of German is not sufficient to qualify you for the post of German correspondent. You have kept too close to the English original of the text, and your translation is void of all German idioms. It reads Anglo-German. You should spend some time on reading modern German books, magazines and newspapers. Translate passages out of these, put original away, and re-translate, afterwards comparing your re-translation with German original. Do this until your re-translation is as near to the original text as possible.

P.Kr.—Grimsby.—You would do well to learn Swedish and Norwegian.

Sh.L.—Yes, attempts are being made to adopt Latin characters for the Turkish language, but a uniform orthography has not yet been officially adopted; generally

the French system is used for the transcription, thus: the book—*kitab*; the letter—*mektoub*; pretty—*guzel*; Sir—*effendim*; *istambolda yuksek kaldyrym isminde kutchuk bir djadde varmy?*

F.R.S.—The German equivalents of the terms you mention are: duplicating machine—*Vervielfaltiger*; Impression roller—*Andruckwalze*; ink distribution roller—*Farbverreibwalze*; automatic paper feed—*automatischer Papieranleger*; indestructible stencil—*Dauermatrize*, or *Dauerschablone*.

Of the German stencil duplicators, the "Rotafix," and "Roto" seem to be the best.



Street Scene in Leipzig during Fair Week.

*THE NATURAL WAY OF LEARNING LANGUAGES.

By the PRINCIPAL OF THE BERLITZ SCHOOL.

THE advantages of knowing another language are many and need hardly be enumerated.

It is pleasant to be able to converse in more than one language; the entire literature and thought of another land are open to you; you can read the masterpieces of literature in the original tongue, read them easily and understand them; you are sure of yourself when travelling and are not dependent on interpreters, you are free from petty annoyances such as delays and overcharges.

For almost all professions, the study of languages is becoming a necessity nowadays.

Business to-day is international, and the man who would successfully engage in foreign trade, must have about him those who understand the psychology of his customers. Being schooled in the language of the people with whom he deals, he is able to approach them with that understanding which is the basis of sound business friendship. For this reason, knowledge of foreign languages is absolutely essential to success in foreign trade.

The means of travel is so improved to-day that we can almost say that the barrier of distance no longer exists; that of the language remains. The traveller who does not take with him some knowledge of the speech of the people whose shores he visits, robs his trip of its greatest interest. To study a man, you must think as he thinks; in short, think in his own language. The ability to do this adds enormously to the pleasure and cultural gain of travel, to say nothing of the added conveniences it offers and economies it effects.

To learn a Foreign Language, we must not lose sight of the principle that the method of learning must be, in all points, similar to the one by which a child learns its mother-tongue. This process will lead the pupil rapidly, safely, and with little trouble, to the practical mastery of the language, by drilling it from the beginning by ear and speech instead of teaching by translating, reading or writing. It is a natural law to learn to understand to speak before reading and writing, for we speak a thousand words for every one we write. For this reason, a modern language is better learned by usage than from books.

But still, many persons do not know how to learn a language; they think they must memorise a large number of words, study the grammatical

rules, translate, etc., etc. From a practical point of view, and especially from the conversational point of view, this process leads to failure.

To make yourself understood in a foreign language, it is necessary to exercise your tongue just as you exercise your fingers when you are learning the piano.

By constant use of the language, you will begin to think in the language and be permeated with its spirit.

This result can be obtained of course by a long sojourn abroad, because you are plunged thus into the atmosphere of the language, you hear and speak only the language you wish to learn. However, considerable time elapses before your ear gets accustomed to the language, and before you are able to use expressions necessary in daily life.

Further, a sojourn abroad is the privilege of a comparatively small number of persons, as it costs much money and is possible only for people of leisure.

How then can we replace this sojourn abroad? There is no alternative but to find a teacher, native of the country whose language you want to learn and with whom you could converse exclusively in his tongue.

The first important step is to acquire a useful working vocabulary rather than a large one, as well as a good pronunciation.

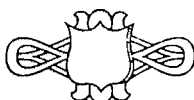
This can only be done by hearing the language spoken by an educated native instructor, and by imitating his speech, *the instructor carefully correcting the pupil's faults.*

Among all language institutes of this country, the Berlitz Schools, with their natural method of teaching Languages based on the principles above stated, replace from every point of view the sojourn abroad, and enable its students to obtain in a short time what would necessitate a stay of several months in the foreign country. Provided with first class native teachers, who have completed a special instructional course in the Berlitz Method, the Berlitz Schools give the best guarantee for a rapid and practical knowledge of any language.

**The views expressed are naturally those of the author, and should not be taken as necessarily those of this Journal. Editor.*



Nutshell Reviews.



BUILDING RETAIL SALES.

"Permanence" is the key-note of this excellent book. Mr. Knights is a believer in building the substantial trade that shall endure. It is pleasant to turn the pages of his latest work, "Building Retail Sales," and to find in almost every page a deep-rooted distrust of the facile or devious methods, that snatch a cheap advantage to-day, from the settled goodwill of to-morrow.

Mr. Knights knows his subject, as a popular lecturer for the London County Council should. He is very thorough in covering all the vital points of retail business and his natural gift of lucidity enables him to present them not only with clearness, but with real interest.

Mr. Knights deals with eighteen basic principles of sound merchandising and these occupy thirty-eight most valuable pages which are well worth separate issue. Some of course are slightly controversial and like all other enthusiasts Mr. Knights has his own views. But his opinions are all worthy of notice.

Most of these principles, however, are as absolute and as unassailable as Euclid's axioms. Like the famous pins that the schoolboy described as "saving a lot of lives through people not swallowing them," these principles are only likely to be dangerous through people forgetting them.

Mr. Knights has done good service to the retailers by issuing this work.

"Building Retail Sales," by Charles C. Knights, Pitman's, Ltd, 5/- net

PUTTING THE BUSINESS ADVISER IN THE WITNESS BOX.

A famous philosopher, Alexander Pope, adopted the poetical form of writing because he regarded it as the most direct and economical method of closely reasoned argument. Hence we number him amongst our great English poets.

Mr. E. J. Hammond appears to work upon analagous lines for he discusses business principles, in the style of an expert witness, answering an exceedingly thirsty-for-knowledge barrister.

And Mr. Hammond does appear to be a really expert witness.

All the padding is cut out of this book. The questioner gets right down to his business, and gives of his first question in the first paragraph, after which the witness, without stopping for breath, shoots a reply at him that should settle his doubts once and for ever, and silence him.

But no! only pausing for a full stop and an eighth of an inch of white space, the barrister gets in his next one—a nice complicated left-hander with snags in it.

But there is no halting! Back comes the reply, with all the complications neatly straightened out, by an orderly arrangement of fine compact paragraphs, duly numbered, each only three or four lines long, and every one with a "punch" in it.

And so the book proceeds. Mysteries about Agents, Companies, Contracts, Banking, Currency, Insurance and a multitude of other themes,

are stated with neat brevity and answered with forceful clearness.

This is a very useful book cram full of general commercial information. Those up against "posers" in business should consult its index in the hope their case is dealt with

"Questions and Answers on Business Practice," by E. J. Hammond, A.C.I.S., A.L.A.A., Pitman's, Ltd., 5/- net

THE BUYER WITH A CONSCIENCE.

Mr. Eric N. Simons is a sound and helpful writer and his new book on "Successful Buying" shows a great deal of careful and discriminating work.

Frankly, we like the tone of the book as it reviews the whole subject of buying, not only on broad lines but on a very high plane of commercial rectitude.

Mr. Simons believes that business is a long opportunity for right actions, and his work is to be welcomed because it is a splendid denial of that depressing untruth, that "commerce is essentially immoral."

Everyone should read Chapter IX, "Ethical Aspects of Buying," and read it too, with the conviction that there are many buyers who really do endeavour to live up to every word of it.

But though he writes from a high moral standpoint Mr. Simons does not content himself with broad generalities. He gets down to grips with actual details of practice.

The book is well arranged and well illustrated with examples, rulings and other particulars.

"Successful Buying," by Eric N. Simons, Pitmans, Ltd., 10/6 net

THE SENIOR WRANGLER IN THE OFFICE.

Measuring human effort is by no means a new commercial study. In a great number of business organisations the time-honoured methods of our grandparents may still suffice, but with the increasing complexity of business, the growth of large undertakings and the tendency toward departmentalising, some more scientific method is necessary.

The old method was largely one of observation and comparison such as "If Smith can do that job in forty minutes, no one should take much longer than forty-five." In the small factory, with the small plant, a few simple rules, reinforced by the personal presence and example of the proprietor can doubtless be as satisfactory as a host of tabulations, analyses and scientific measurements.

But once the department is controlled by

PSYCHOLOGY OF SELECTING MEN

By DONALD A. LAIRD

Professor of Psychology and Director of the Psychological Laboratory, Colgate University

A second edition of this sound and scientific treatise of the fundamental considerations in selecting men. Chapters have been added which point the way for the employment department to utilise definite tests in the selection of applicants

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deputy the chance of the commercial scientist comes in.

A most valuable work on "Time and Motion Study," especially in relation to Wage Incentives has been issued by the McGraw Hill Book Company. It is the most thorough and exhaustive book upon the subject we have seen, and its authors have pressed the possibility of the service of their science to remarkable limits

Some of the points raised in the chapters which appear to demand a fairly sound knowledge of mathematics may be outside the range and the necessity of many business men. But the bulk of the volume is of such a character, that its matter cannot fail to be of great value in any place of business, and particularly in the factory where many workers are employed.

"Time and Motion Study," by Stewart M. Lowry, M.E., Harold B. Maynard, M.E., and G. J. Stegmerten, McGraw Hill Book Co., 0/- net

DOES YOUR AUDITOR'S CLERK WEAR OXFORD BAGS?

Mr. A. E. Cutforth's lecture on "Form," given before various Chartered Accountants Students Associations, has been reproduced in book form, and though specially intended for the

young accountant, has some quite interesting matter for the general public.

Mr. Cutforth is very frank, and suggests that the young accountant, sent out on audit work, has a position to fill that requires tact and decorum. Dress, manner and mental attitude come into review.

We are introduced to different temperaments and characters, and are able to form mental pictures of some young men who blush when a typist asks a question, and of others who go about the business of an audit, as if they were high court officials, taking the last few steps necessary, before the arrest of the whole board of directors for criminal conspiracy and fraud.

We see schoolboy auditors, lecturing their elders haughtily: we visualise Bond Street tailoring masquerading as an adding machine; we can imagine the golfer and cricketer looking in on their way to links and grounds; and ever and anon a shabby sloucher careless in attire and awkward in manner.

The moral of the book is that not only should the budding auditor be a good accountant, but he should look, and behave, like the responsible representation of a responsible firm.

"Form," by A. E. Cutforth," C.B.E., F.C.A., Gee and Co., 2/- net.

THE TANGLES OF INCOME TAX.

Mark Twain's celebrated discovery that under the heading "depreciation of plant" an author should avoid paying income tax altogether was made in the days when income tax was a straightforward subject with very few "kinks" in it.

We do not know how the authorities replied to his assumptions that an author's brain is his "plant" and that its value diminishes every year to the full extent of the earnings for the year, but no doubt they found a way out.

Much more difficult problems seem to be all in the day's work now, for never a budget Act has passed into law of recent years without bringing its heavy load of alterations, exceptions, qualifications, and conditions to swell the volume and problems of this most awkward tax.

Truly income tax law suffers from elephantiasis! Murray and Carter's Guide, now in its eleventh edition, becomes increasingly valuable the more the law is amended. Its copious list of instances, its comments on vital points and its clear statements of broad principles, are of great value to those who have to deal with income tax perplexities.

"Guide to Income Tax Practise," by Adam Murray and Roger N. Carter, Gee and Co., Ltd., 30/- net.

"STANDAARD LEERBOEK voor het Maschineschrijven en het Maschinerekenen voor School—en Zelfonderricht," by A. A. Schoevers.

This is the third edition of a valuable book on instruction in typewriting and machine-calculating. There are three sections: (1) Typewriting, (2) Lay-out of Letters, (3) Machine Calculating. The writer's object is to introduce some uniform methods into instruction, placing of fingers, naming of typewriter parts, division of letters, tabulating work, etc. It is a practical object worth every support. There is still too much chaos in typewriting and machine-calculating instruction; no uniform methods have hitherto been adopted.

"B.O.M." LANGUAGE COMPETITION, MARCH, 1928.

In order to encourage the study of languages in a practical manner, the Publishers of the "BUSINESS ORGANISATION MAGAZINE" offer three prizes to the three best articles, written on either of the following two subjects:—

A (in French). "HOW I LEARNED FRENCH"

B (in Spanish). "THE COMMERCIAL VALUE OF SPANISH."

PRIZES. 1st Prize:—One Guinea in cash.

2nd Prize:—One year's extension of subscription to "B.O.M."

3rd Prize:—Six months' extension of subscription to "B.O.M."

CONDITIONS OF THIS COMPETITION.

- (a) The competition is open to "B.O.M." subscribers only. Non-subscribers who wish to take part must register as subscribers when sending in their articles.
- (b) There is no entrance fee.
- (c) Each article must not exceed 750 words in length.
- (d) Manuscripts should reach us not later than March 15th.
- (e) The decision of the Publishers in consultation with the International Editor is final.
- (f) Political aspects must be excluded from the articles.
- (g) All entries must be addressed to:—

"LANGUAGE COMPETITION," Business Organisation, Ltd., Granville Chambers, Bury St., London, W.C.1.



Market Research applied to Export—"B.O.M." Research, Intelligence and Contact Services—
Enquiries—International Marketing Hints—Compact Survey of Brazil—Compact Survey of Siam

By C. W. FRERK.

THEORY v. PRACTICE.

WHEREAS we have dealt repeatedly and at considerable length with the necessity, the importance, and the many aspects of market research, we have not yet dealt comprehensively with the application of market research findings to the export business. This will be the subject of this month's observations, which will be continued over a number of issues. We shall have an opportunity of giving practical and actual examples of market investigations, and the application of the findings to the export sales campaigns. Although these discussions must necessarily, be limited to particular markets and products, they will reveal to our readers the essential features and procedure of such export sales efforts, based upon preliminary research.

Exporters who distribute a number of different articles in various overseas markets have hitherto rarely done more than "occasional business," i.e., they have filled orders as and when these came to hand; but they did not set out to cultivate the countries to which they sent occasional consignments, and, therefore, neglected potential outlets for their goods, although their occasional orders should have indicated to them that there was a certain demand in those markets, and that their sales could be considerably increased if this demand was fostered and cultivated.

FACTS FIRST—THEN ACTION

The keen competition which is in evidence to-day in all markets has forced most exporters to specialise in a certain number of products, as well as a limited number of markets, about which

they have special knowledge and experience. We find, on the one hand, the export house that specialises in chemical, technical or textile goods, and, on the other hand, the shipper who concentrates on the Far East, or Australia, or South Africa. This specialisation will become still more definite, and we shall have exporters who will specialise in Machinery for Persia, or Chemicals for India, or Textiles for the Dutch-East Indies, etc. Even with this specialisation the exporter will have a hard battle to fight, in competition with the large industrial concerns which eliminate the exporter and shipper, and distribute their products direct, through their own agencies, or even their own distributing houses overseas.

The splitting of efforts, by handling too many products, and dealing with too many markets, did not allow for successful, effective propaganda. The manufacturer who sold through shippers and exporters only did very little to advertise his products overseas, and the shipper still less, as he worked chiefly upon indents and commissions. The manufacturer used the knowledge and experience of the shipper for purposes of distribution only, and not for propaganda purposes.

Export trade has a number of risks which require special consideration and precaution when planning export propaganda (advertising), and sales campaigns. There is the danger that a manufacturer may be too hasty in his efforts, as the procurement of the necessary documents and data, upon which the campaign should be built up, is considerably more difficult, where overseas markets are concerned, than at home.

Manufacturers frequently plan and work, before the essential data have come to hand. There is nothing more dangerous than this procedure, and the failure of so many export sales campaigns arises from this

FACTS FIRST—THEN ACTION must be the motto of the exporter.

CO-OPERATION.

Then there is another question relating to export marketing. The exporter generally expects the manufacturer to stand the cost of advertising. However, in such cases where the exporter (or importer respectively) is the sole-concessionnaire for the manufacturer's products, in a certain market, he should take over at least part of the advertising and propaganda expenditure, especially the cost of newspaper advertising and direct mail propaganda, in the overseas market concerned. This form of export business, i.e., the appointment of sole-agents or concessionnaires, is rapidly gaining ground in most markets, and most industries. In some instances it is, of course, the first step to the establishment of the manufacturer's own overseas branch, in which the former sole-agent may be taken over as manager. Exporters (and importers) are naturally anxious to have the results of their pioneer efforts assured. This is a reasonable expectation on the part of the sole-agent, but the manufacturer should see that his sole-agency is in the hands of reliable exporters or importers, whose knowledge and experience of a market assures success. But once this reliable agent has been found, the manufacturer should assist him with advertising and propaganda, to the utmost, as nothing is more detrimental than half-way efforts.

JUAL ENGINE JAET BAJU ORANG MULLAYU, ORANG JAWA, ORANG CHINA, ORANG AROPA.

Let us consider these points on a practical example. We dealt with the Netherlands East Indies, last month, and gave a number of important hints and suggestions with regard to that market. Let us assume that we have sewing machines to sell to the Dutch East Indies.

A comparison of the import figures of the Netherlands East Indies with the population figures (which enable us to estimate the number of probable sewing machine users) will give us an indication as to whether it is at all worth while to attempt to sell sewing machines to that market. And, indeed, we find that imports are insufficient, i.e., with proper advertising methods the sales could be considerably increased. Potential buyers of sewing machines are still spending their money on other goods, we must make efforts

to induce these buyers to purchase our sewing machines. We also find that the greater number of the imported sewing machines come from the United States (probably Singer). We must, therefore, pay special attention to the sales and advertising methods of the American Singer Company, because we not only want to create fresh demand, but also wish to secure a share of our competitor's business.

The next step is the definition and grouping of the potential and probable buyers of sewing machines. The various buyer groups were indicated in our Survey last month; but it is as well to mention them again:

GROUP A—Europeans: Of particular importance to us are the Dutch civil servants and their families, as most of the other Europeans as well as the Americans out there are without their families, and have, therefore, no use for sewing machines. Usually the Europeans buy the better models

GROUP B—Chinese: We refer to the users, of course, not dealers. Compared with the Europeans, the Chinese population of the Dutch East Indies is numerically strong, comparatively well situated and active. They represent an important buyer group for the better and medium priced models of machines.

GROUP C—Natives and Arabs: As probable users of sewing machines these may be classed as one group. Where advertising is concerned, they require the same treatment. They represent the biggest group of potential sewing machine users, although chiefly for the cheaper models. We must concentrate on this Group C.

THE APPROACH AND APPEAL.

We should now proceed to consider our action, and return to **Group A.**

There is little to be said about the method of interesting the potential European users. They may be treated on roughly the same lines as at home. Direct mail propaganda and advertisements in the family (illustrated) papers are evidently the best means of appeal. As posters are comparatively little used in the Dutch East Indies, we should make special use of them, and thereby gain considerable attention. Poster advertising would, of course, be restricted to the larger cities. If we have sufficient means at our disposal for this Group A, we shall also use outdoor publicity along the railway lines, at Stations, etc. The analysis of the European population, and its residential districts, and habits is very essential.

Group B: The Chinese in the Dutch East Indies have a considerable number of newspapers

and periodicals of their own in the vernacular. They are essential for the appeal to this buyer group. The Chinese, although politically rather disinterested (as far as affairs in China are concerned) have considerable national pride which must be taken into consideration. As it is, they feel themselves at some disadvantage against the European population, and it is wise to avoid anything and everything that may tend to rouse bad feeling; it is essential to treat the Chinese with as much consideration, in selling, as the Europeans.

With the Chinese also direct mail advertising (by sales letters) is a very effective means of appeal, in fact more so than with Group A, in view of the fact that the Chinese are difficult to reach by other advertising means, such as posters, because they live in their districts almost in seclusion. The Chinese are generally very moderate in their ways of living, even if they are well-to-do. It is wise to mention in the sales letters that it is false economy to be without a sewing machine, and then to point out the advantages gained by buying such a machine.

Group C: We already pointed out that we should have to concentrate our sales efforts on this group. However, there are certain restrictions, and preliminary conditions to be taken into consideration.

Of great importance is the question of income because not all the coloured workmen earn sufficient money to be able to save enough for a sewing machine. A considerable number of them lack the civilisation necessary to have any use for a sewing machine. This applies particularly to the population of Inner Borneo and Sumatra. Conditions are most favourable in Java. The Javanese are a well-developed and advanced people; their earnings are good enough to allow for the purchase of modern requisites. It should not be difficult to sell sewing machines to the Javanese.

The requirements of the natives, in order of importance, are directed to bicycles, European clothing, shoes. These they will buy before anything else, and as far as their earnings (on plantations, etc.) will permit. After that they buy all possible and one might say impossible things, and it is for us to direct their buying-desire and inclination to our sewing machines.

How shall we proceed? It is of little use to appeal to their intelligence. We might point out to them the advantages they would gain by having a sewing machine of their own—they would justly say that the few sarongs would not make it worth while. But show them how they can make the most beautiful things, how they can dress themselves like Europeans, with very

little money, by having a sewing machine of their own; point out to them that they may pay by instalments, and the interest is aroused immediately. We must appeal to their childish naive conception of things, their desire to have a sewing machine will soon mature into will to purchase. When fixing the rates of instalments and intervals between these, the income has to be considered, in order to enable the buyers to keep up their payments.

Now, as the greater number of Group C cannot write or read, we must proceed in an entirely different manner. We must use pictorial advertisements, posters, etc., with no more text than trade mark and manufacturer's name.

THE NATIVE SALESMAN.

Of greatest importance, however, is personal canvassing. We must proceed quite differently from usual export methods. Exporters and importers used to sell to the Chinese dealers who sold to the native markets (Passars). We shall eliminate the Chinese dealer, and try to sell direct to the native user. It will be to our advantage, because we want to sell sewing machines, and are very keen on selling them, whereas the Chinese dealer wants to sell many other things besides sewing machines. Where sewing machines are concerned especially, it is wise to eliminate the Chinese middleman—other articles, enamel goods, etc., may not permit this.

The most capable European psychologist can never reach the soul of the Malay or Javanese as well as the Malay or Javanese can do it by instinct. We shall exploit this fact, and select a number of intelligent natives, and train them as salesmen. Their appeal to their own countrymen will be far more successful than that of a Chinese or a European.

We should send these native salesmen on tour with a sample machine. They will demonstrate the machine in the villages and on the plantations (the latter on Sundays, holidays, or during the week, after working hours); they will tell their "audience" all they wish to know about the machine, its "workings," and price, terms, facilities, etc.

Whether the orders which the native salesmen obtain are to be executed or not, will have to be investigated and decided by a European district agent, unless the salesmen are capable of exercising the necessary caution, when accepting orders, to accept them from reliable payers only.

SALES PROMOTION BY EDUCATION.

Finally, we have a means of making sewing machines really popular. We introduce sewing

courses, which can be established with comparatively little cost, if existing schools, mission stations, hospitals, and other institutions can be enlisted. These are often only too glad to have a demonstration machine placed at their disposal without cost, and it is obvious that after having received instruction in sewing, dress making, etc., natives are desirous of having machines of their own.

The essential points in every marketing effort are: **Is there a demand for our product? If not, could it be created? By what means?** These questions apply to any market and any product. The replies vary according to market and product. Only a comprehensive market analysis can supply the correct answer. If this market research is conducted thoroughly, by experts in export market investigation, and if the conclusions of such market research are adopted and followed, it is certain that success can be obtained, even in the most remote markets of the world.

PRO BONO COMMERCIO.

We have intentionally taken the sewing machine as our first example, as it is an article, about the marketing of which, there is generally very little to be said.

We wish to emphasise that our International Market Research and Intelligence Department is able to investigate and solve the marketing problems of any product, in any market. British manufacturers are invited to make use of our Services.

"B.O.M." RESEARCH, INTELLIGENCE AND CONTACT SERVICES.

At the special request of many of our readers, we are preparing two outstanding special numbers, to be published in Autumn of this year:

I.—A British Dominion Number;

II.—A Continental-European Number.

The following are our editorial programmes for these two issues:

BRITISH DOMINION NUMBER.

The Economic Aspects of Empire Marketing.

- (a) *Pre-war Positions.*
- (b) *Post-war Tendencies.*

Dominion Policies and Imperial Preference.

- (a) *Industrial Developments.*
- (b) *The Tariff Question.*
- (c) *Dominion Relations with Foreign Countries.*

The Question of Empire Standards.

- (a) *The Basic Idea.*
- (b) *Its Practicability?*

Surveys of the Dominion Markets.

- | | |
|---------------------------|-----------------------------|
| (a) <i>Compact Facts.</i> | (b) <i>Statistical Data</i> |
| (b) <i>Analysis.</i> | (c) <i>Conclusions.</i> |

of

- (1) Australia.
- (2) Canada
- (3) India
- (4) New Zealand.
- (5) South Africa.
- (6) Irish Free State

Marketing in the Dominions.

- (a) *First Principles of Dominion Marketing.*
- (b) *Market Structure and Adjustment of Efforts.*
- (c) *Merchandising Practice:—Indenting, Packing Shipping, Clearance, Distribution, Salesmanship*
- (d) *Tariff and Regulations.*
- (e) *Legal Aspects.*
- (f) *Patents and Trade Marks*
- (g) *Travellers, Agents, Distributors, Depots*
- (h) *Research and its Application.*

in

- (1) Australia.
- (2) Canada.
- (3) India.
- (4) New Zealand.
- (5) South Africa.
- (6) Irish Free State.

Advertising in the Dominions.

- (a) *The Press.*
- (b) *Advertising Practice.*
- (c) *Cost of Dominion Advertising.*
- (d) *Advertising Planning.*
- (e) *Copy and Illustrations.*
- (f) *Outdoor Publicity.*
- (g) *Packages, Containers, etc.*
- (h) *Other Advertising Media and Methods.*
- (i) *Advertising Agency Services*
- (k) *Advertising Policy*
- (l) *Exhibitions*
- (m) *Advertising Co-ordination.*
- (n) *Advertising based upon Research Findings.*
- (o) *Distribution.*

in

- (1) Australia.
- (2) Canada.
- (3) India.
- (4) New Zealand.
- (5) South Africa
- (6) Irish Free State.

Trained research men and advertising and marketing specialists throughout the Dominions are busily engaged in collecting data, and compiling reports. We shall attempt to show in this special Dominion number that the Dominion Markets, although part of the British Empire, require thorough study and adjustment of marketing and advertising, just as much as any other foreign

or overseas market. It will be an outstanding treatise of British Empire Marketing, i.e., the sale of British goods in the Dominions.

Manufacturers who are anxious to secure data for their own particular products would do well to participate in our present research efforts, as our research delegates could collect individual data at the same time as they compile our general surveys. It is also hoped that manufacturers, shippers, bankers and others interested in Dominion business, will support this unique number. Further particulars will be sent upon request.

CONTINENTAL-EUROPEAN NUMBER.

The Economic Aspect of Central Europe.

- (a) *Pre-war Position.*
- (b) *Post-war Developments.*

Pan-European Tendencies.

- (a) *The Frontier Chaos*
- (b) *Customs Union.*
- (c) *Inter-European Commercial Treaties.*

Anglo-European Relations.

- (a) *American Influence*
- (b) *British Quality Reputation.*
- (c) *British Capital Investments.*

Mid-European Market Surveys.

- (a) *Compact Facts.*
- (b) *Statistical Data*
- (c) *Analysis.*
- (d) *Conclusions.*

of

- (1) France
- (2) Germany.
- (3) Czechoslovakia.
- (4) Austria.
- (5) Poland.

Marketing in Central Europe.

- (a) *Consumer Psychology and Idiosyncrasies.*
- (b) *Market Structure and Adjustment of Efforts.*
- (c) *Merchandising Practice—Direct Sales, Agency Practice, Branches, Packing, Shipping, Insurance, Clearance, Distribution, Salesmanship.*
- (d) *Tariffs and Customs Regulations, Restrictions*
- (e) *Legal Aspects.*
- (f) *Patents and Trade Marks.*
- (g) *Travellers.*
- (h) *Research and its Application.*

in

- (1) France.
- (2) Germany.
- (3) Czechoslovakia.
- (4) Austria.
- (5) Poland.

Advertising in Central Europe.

- (a) *The Media.*
- (b) *Advertising Theory and Practice.*
- (c) *Cost of Advertising.*
- (d) *Advertising Planning*
- (e) *The Language Problem.*
- (f) *Packages, Containers, etc*
- (g) *Advertising Agencies.*
- (h) *Advertising Policy*
- (i) *Exhibitions and Fairs*
- (k) *Advertising Research.*
- (7) *Distribution.*

in

- (1) France.
- (2) Germany.
- (3) Czechoslovakia.
- (4) Austria
- (5) Poland.

We have often emphasised the importance of Europe as a potential market for British goods. Our special number will be the *Vade Mecum* of the British manufacturer who wishes to sell his goods to Central Europe. If he follows our plans and suggestions, and bases his efforts upon our surveys and research findings he cannot fail to establish successful business relations in the countries mentioned.

If he wishes to have special reports prepared for his own particular goods, he is invited to communicate with us now, as our research organisation is now beginning to collect the latest data and compile the reports and surveys for this special issue.

As a large number of our Dominion edition will be circulated in the Dominions surveyed, so will our Continental-European Number be distributed throughout the countries mentioned. Manufacturers and others who seek business in these countries should advertise in these special issues, and thereby avail themselves of a unique opportunity to appeal to and get contact with the potential buyers in these markets

BEST OF ALL

Columbia

RIBBONS AND CARBON PAPERS

**For every need
and Guaranteed**

From all Dealers and Stationers, or
COLUMBIA RIBBON AND CARBON MFG. CO., LTD.
Classic House, 22 Bush Lane, London, E.C.4.

ENQUIRIES FOR GOODS AND AGENCIES.

The Enquiries listed below represent actual requests received for the goods mentioned. They are genuine openings for more business to those who manufacture or market what is required

Subscribers are entitled to the names and addresses of six of these enquiries, if they indicate the reference numbers, and enclose reply postage with their request. Additional names will be supplied upon payment of 1/- per enquiry. Non-subscribers pay 2/6 per enquiry.

Your own offers of goods or services may be inserted on this page free of charge. Send for Service Form

(a) Foreign Importers or Agents seeking British Goods or Agencies.

- (603) **Germany.**—Manufacturing Chemist, with own laboratory, seeks to represent pharmaceutical specialities for Germany.
- (604) **Germany.**—Agent, now representing a London manufacturer of suitings, is anxious to represent another British house manufacturing blue, black and coloured gentlemen's suitings, for sale to tailors
- (605) **Germany.**—Enquirer seeks to import Rebuilt Gestetner Duplicators, Model VI; prices to be quoted for regular supplies of machines, ex London, inclusive of packing, freight and duty to Berlin or German port state number of machines which can be supplied monthly, terms of payment, and terms for electric motors.
- (606) **France.**—Solicits offers of cement and fireproof tiles
- (607) **Italy.**—Firm in Italian Somaliland solicits offers of motor cars and accessories Correspondence Italian or French
- (608) **France.**—Seeks agencies of oil pumps, oil cans, oil syringes
- (609) **Holland and Colonies.**—Seek connection with manufacturers of motor car accessories and novelties.
- (610) **Australia.**—Open to represent manufacturers of motor accessories.
- (611) **Turkey.**—Wish to act as agents for building machinery and fittings.
- (612) **Italy.**—Solicit offers of steel goods and cutlery
- (613) **Palestine.**—Interested in wireless goods and electro-technical supplies on agency basis.
- (614) **Syria.**—Electro-technical material wanted urgently.
- (615) **Egypt.**—Electro-technical and wireless goods; agencies wanted.
- (616) **Spain.**—Wholesale firm interested in wireless material. Correspondence Spanish.
- (617) **Syria.**—Anxious to represent manufacturers of electro-technical goods and motor car accessories
- (618) **Straits Settlements.**—Interested in all wireless goods, complete sets, earphones components, loud speakers, insulating materials, wiring, etc.
- (619) **Poland.**—Anxious to represent manufacturers of chemico-technical products.
- (620) **Palestine.**—Stationery agencies wanted
- (621) **Canada.**—Anxious to represent stationery manufacturers.
- (622) **Sweden.**—Interested in drawing utensils, draftsmen's supplies
- (623) **Syria.**—Interested in stationery, cigarette paper, cardboard manufacturers' agencies
- (624) **Morocco.**—Wish to represent manufacturers of cotton goods, blue linens.
- (625) **Greece.**—Cotton and other textile goods wanted; agencies preferred.
- (626) **Morocco.**—Offers solicited in French, of Woollen goods, blue cloths, and other made-up goods.
- (627) **Roumania.**—All textiles represented for Roumania.
- (628) **Roumania.**—Textile goods agencies wanted.
- (629) **Syria.**—Textile goods wanted for Syria.
- (630) **Roumania.**—Cernauti firm is anxious to represent manufacturers of textile goods, yarns, artificial silk, etc.
- (631) **Greece.**—Open to represent manufacturers of photographic goods.
- (632) **France.**—Solicit offers of leather belting, transmission belts
- (633) **Morocco.**—Casablanca firm is anxious to import porcelain ware enamel ware, etc. Correspondence French
- (634) **Turkey.**—Constantinople firm wishes to import forks, spoons, pocket knives, etc.
- (635) **Belgium.**—Sports goods wanted.
- (636) **Morocco.**—Agricultural machinery wanted, country vehicles. Correspondence French.
- (637) **Turkey.**—Interested in all railway construction material, locomotives, carriages, rails, etc
- (638) **Canada.**—Vancouver firm seeks connection with manufacturers of children's bicycles (fairy cycles).
- (639) **France.**—Open to represent manufacturers of textile machinery
- (640) **France.**—Machine tool agencies wanted.
- (641) **Ecuador.**—Wish to represent manufacturers of bicycles, motor cycles, and accessories for both. Correspondence Spanish only.

(b) British Firms seeking Foreign Connections.

- (642) **Suede and Leather Coats, Furs**—London manufacturers seek buyers and agents in all countries.

(c) Foreign Manufacturers seeking Agents in Great Britain.

- (643) **Picture Frames.**—German manufacturer seeks active agents.
- (644) **Novel Advertising Method.**—Frankfurt firm is open to appoint agent; also willing to sell patent on royalty basis.
- (645) **Optical Goods**—Well-known German house seeks connection with reliable agents, who have export connections.
- (646) **Surgical Instruments.**—Hamburg house seeks reliable agent to work on commission basis, selling to hospitals, physicians, etc.
- (647) **Building Drying Plants.**—German house is anxious to sell patent, on royalty basis, and appoint agents.

INTERNATIONAL MARKETING HINTS.

THE MOTOR CAR TRADE IN HONG KONG.

The American cars seem to be doing the best trade here; they are made with less regard to economy in petrol consumption than to power. There are, in the Hong Kong area few inclines below 10 per cent., and many up to 25 per cent. Studebaker and Packard take these inclines in the second gear easily. Only the smaller American cars have four-cylinder motors; all others have six-cylinder motors.

The carriages should be low. The colours of the bodies should be bright. The levers are preferred inside next to the steering wheel. Another drawback for British cars is that spare parts are difficult to obtain, whereas the American companies have established service depots.

TURKEY AS A MARKET FOR TOOLS AND AGRICULTURAL IMPLEMENTS.

The demand for tools and agricultural implements is growing steadily. The Turkish Government is making great efforts to develop the country industrially and agriculturally. Modern agricultural machinery is required, as large tracts of land in Asia Minor are now being developed.

Importers of machinery and tools are anxious to seek connections with British manufacturers. Our Service Department will put manufacturers in contact with such firms.

ELECTRO-TECHNICAL & WIRELESS MATERIAL FOR PORTUGAL.

Two new sending stations are to be erected at Lisbon and Oporto. It is wise to get in touch with importers of electro-technical and wireless material now, to meet the forthcoming demand. Importers will be indicated upon request to our Contact Department.

MARKETS FOR STATIONERY, PAPER, & ALLIED GOODS.

Our Correspondent at Tirana (Albania) reports good selling prospects for paper, stationery, office requisites and printing materials, throughout Albania.

In Peru, the situation for these lines has also considerably improved lately, and imports of school requisites, office equipment, stationery novelties are increasing. Most of these goods are at present imported from the United States and Germany, but wholesalers are keen on repre-

senting British houses, in opposition to the American representatives and German agents.

Spain is an excellent market for advertising and stationery novelties, according to our Barcelona Delegate, who reports that big Spanish houses are always looking for something new in these lines.

SPECIAL REPORTS AND TRADE ENQUIRIES.

The following special trade reports and enquiries have been received:—

Paper and Stationery and Allied Trades
Electro-Technical and Wireless Trades
Chemico-Pharmaceutical Trades
Machinery, Motors, Technical Trades.
Household Goods Trades.

These Reports together with enquiries and key are available to registered subscribers for 5/- per report, and non-subscribers for 10/- per report.

TERRITORIAL AND TRADE REPORTS FROM FRANCE.

A number of exceptionally valuable reports have come to hand from France.

A. Territorial Reports. (Wines).
Cette, Vallon, Fontenay-le-Comte
Chassagne-Montrachet, Agde, Montpeyroux, Avignon,
Le Mans.
St. Péray, Tours, Bordeaux
Avignon, Villefranche, Pommard, Cette, Montpellier.
B. Trade Reports.
Fashions in Furs
The Cork Industry
The use of Ferro-Concrete in Bridge Building
The French Lace Industry
The French Artificial Silk Industry
The Lyons Silk Market
The French Knitted Wear Industry.
The Watch Making Industry and Jewelry Fashions
Shoe Fashions, 1928
Leathergoods Industry.
Glassware and Ceramics.
The French Tobacco Industry.
Sale of Beer and Lemonades in French West Africa.
The Brewery Industry in Alsace-Lorraine.
The French Brewery Industry
Household Goods Trade
Agricultural Machinery and Implements

These special trade reports are of great value to Manufacturers who wish to follow the trend of the market situation in France. Registered subscribers can obtain these reports at 10/- each; non-subscribers pay 15/- each.

A COMPREHENSIVE FLAT RATE SHIPPING SERVICE.

The Mutual Lloyd Marine Corporation, New

York, offers a very comprehensive flat rate service, including :

1. *Postal Telegraph* — *Reporting Arrival.*
2. *Sea Pilot* — *Inward.*
3. *Towing* — *Inward.*
4. *Harbour Pilot* — *Inward.*
5. *Sea Pilot* — *Outward.*
6. *Towing* — *Outward.*
7. *Harbour Pilot* — *Outward.*
8. *Custom's Broker* — *Entering Steamer.*
9. *Custom's Broker* — *Noting and Extending Pro-test.*
10. *N Y Port Warden* — *State Cargo Surveyor.*
11. *Surveyor* — *Cargo Surveyor.*
12. *Custom Broker* — *Clearing Steamer.*
13. *U S. Customs* — *Tonnage Tax.*
14. *Consul* — *Clearing Documents.*
15. *Watchman* — *Watching Inward Cargo.*
16. *Coopers* — *Repairing Cargo.*
17. *Stevedore* — *Discharging Cargo, Piling on Dock, and Assorting Marks.*
18. *Clerking* — *Tallying, Receiving, and Delivery of Cargo.*
19. *Wharfage* — *Hire of Pier, Lights, Telephone.*
20. *Agency* — *Bond, Attendance, Telephone and Petties.*
21. *Fumigation.*

This covers practically all of the expenses in connection with discharge of inward cargo at the port of New York.

This system has become quite popular with a number of Italian steamship owners, as they can figure what it is going to cost them when steamer sails with a cargo for ultimate destination, instead of getting surprises as to the cost, after the steamer has discharged.

This flat rate should be of interest to European owners.

MALAYAN RUBBER.

An official cablegram from Singapore states that dealers' stocks of rubber on the 31st December last were in Singapore 21,761 tons, and in Penang 4,037 tons.

According to information received from Kuala Lumpur the quantity of rubber from Malayan Restriction Area on which export was paid during the month of December last was :—

<i>Federated Malay States</i>	7,944 tons.
<i>Straits Settlements</i>	1,666 ..
<i>Johore</i>	3,243 ..
<i>Kedah</i>	1,217 ..
<i>Kelantan</i>	444 ..
<i>Trengganu</i>	86 ..
	14,600 ..

All this rubber was exported at the minimum rate of duty. Exports at excess rate nil.

The official estimate of the balance of unutilised export credits carried forward to January, 1928, is :—

<i>Federated Malay States</i>	14,125 tons.
<i>Straits Settlements</i>	3,819 ..
<i>Johore</i>	2,693 ..
<i>Kedah</i>	967 ..
<i>Kelantan</i>	830 ..
	21,834 ..

Credits issued in December were as under :—

<i>Federated Malay States</i>	738 tons
<i>Straits Settlements</i>	211 ..
<i>Johore</i>	1,167 ..
<i>Kedah</i>	282 ..
<i>Kelantan</i>	40 ..
	2,438 ..

The amount of rubber exported from British Malaya in January, 1928, totalled 27,731 tons, as compared with 34,946 tons in January, 1927 :—

The amount of rubber imported was 16,618 tons of which 13,023 tons were declared as wet rubber.

January exports were distributed as follows :—

<i>United Kingdom</i>	3,588 tons.
<i>U S A.</i>	21,331 ..
<i>Continent of Europe</i>	1,412 ..
<i>British Possessions</i>	284 ..
<i>Japan</i>	1,109 ..
<i>Other Foreign Countries</i>	7 ..
	27,731 ..

THE MONEY QUESTION WHEN TRAVELLING ABROAD.

A number of countries have not yet abolished their regulations with regard to the sum of money travellers may carry when entering or leaving the country. This is a very important question to commercial travellers, as many inconveniences and even loss of money may be incurred by ignoring these regulations which we publish below for the benefit of our readers :

ALBANIA—Any sum of money may be imported, but gold and silver coins may not be taken out of the country.

BELGIUM—Gold and silver coins may be taken out of the country when travelling in transit without sojourn in Belgium.

BULGARIA—Any amount of money may be imported, but not more than 1,000 Bulgarian Lire may be taken out of the country.

DENMARK—No gold or silver coins may be taken out of Denmark.

FRANCE—When leaving the country not more than 5,000 Francs are allowed to be taken out. Coins may not be exported at all. If, when entering France, a traveller has more than 5,000 Francs upon him, he must declare any amount above 5,000 Francs to the customs officer, if he wishes to obtain permission to export that excess amount when leaving France.

GREECE—When entering Greece the traveller must possess not less than 1,500 Drachmas.

ITALY—No gold or silver coins are allowed to be taken out of the country. Permission must be obtained for sending or taking Lire amounts abroad.

(Continued on page 406)

"B.O.M." Compact Export Market Surveys.

By C. W. FRERK.

X.—BRAZIL.

COMPACT FACTS ABOUT THE MARKET.—Area: 3,300,000 square miles
Population: 35,804,750. Constitution: Confederation of 20 States, 1 National and 1 Federal District. Important Cities: Pará (200,000), Campinas, Campos, Bahia (300,000), Carantina, Porto Alegre, Pernambuco (250,000), Ribeirão Preto, Rio de Janeiro (1,200,000), Rio Grande (75,000), Santos (100,000), São Paulo (750,000). Capital: Rio de Janeiro (1,200,000) Language: Portuguese. Monetary Units: 1 real (plural, reis) at par; milréis gold = $2/3$ par. Weights and Measures: Ordinary decimal and metric, and: 1 arroba = 32.384 lb.; coffee and cocoa in bags of 60 kilos each; cotton in bales of 80, 140, 180 and 225 kilos each. Railway Mileage: 20,000 miles.

RESOURCES.

BRAZIL covers the largest area of any South American State. Coffee represents Brazil's chief source of revenue, and regulates its yearly purchasing power. Brazil supplies four fifths of the world's coffee. Other products are maize, sugar, rice, tobacco, cotton, tea, rubber, timber, cocoa-nuts.

Minerals exploited are coal, iron, gold diamonds, petroleum.

Large tracts of land are used for cattle breeding.

IMPORTS.

Brazil is dependent upon imports of many industrial products, semi-manufactured and manufactured, as well as certain raw materials. The chief articles imported are: Wheat, iron and steel goods, tools, machinery, mineral oils, cotton goods, coal coke, flour, chemicals, paper and stationery goods, vehicles, beverages, porcelain and glass ware, cement.

IMPORTED FROM.

United States, Great Britain, Germany, Argentine, Uruguay, France, Italy, Belgium, Portugal, Mexico, Holland.

INDUSTRIES.

The industries are chiefly based upon the country's produce, and with a strict protectionist policy, some of these industries have become completely independent. Brazilian industries are already covering home consumption in tobacco up to 94 per cent.; in beverages to 89 per cent.; in matches to 100 per cent.; in salt to 80 per cent.; in boots and shoes to 99.5 per cent.; in perfumeries to 80 per cent.; in pharmaceutical specialties to

59 per cent.; in textile goods (cotton, wool, linen, jute and silk) to 90 per cent.; in cotton alone to 95 per cent.; in hats to 97 per cent.

EXPORTS.

Coffee, sugar, chilled meat, cotton, leather, hides and skins, cocoa, tea, rubber, tobacco, rice, nuts, timber.

EXPORTED TO.

United States, France, Great Britain, Italy, Germany, Holland, Argentine, Uruguay, Belgium, Portugal, Sweden, Denmark.

ENTERING THE MARKET.

When entering the market, the Constitution must be taken into consideration. Every State of the Confederation has its own Constitution, Government and Laws.

Rio de Janeiro and São Paulo (via the port of Santos) are the chief centres for imports. The big import houses in these two places generally have branch houses in other Brazilian places.

It is generally advisable to work Northern and Southern Brazil separately, i.e., appoint separate agents for Rio de Janeiro and São Paulo. Included in the working area of Rio de Janeiro would be the Rio de Janeiro Federal District, the hinterland Minas Geraes and the State of Espírito Santo; with the São Paulo area would have to be included the State of São Paulo, Paraná, Santa Catarina, and the Southern area of Minas Geraes; the Porto Alegre working area would include the State of Rio Grande do Sul, S. Salvador (Bahia) includes the States of Bahia and Sergipe; Recife (Pernambuco) the States of Pernambuco, Paraíba, Rio Grande do Norte, and Alagoas; the Pará working area would have to include the State of Pará, the Amazonas area and the neigh-

bouring States of Maranhao, Piahy, and Ceara; these additional areas would be worked by sub-agents.

As operations in the Brazilian market require a sound and thorough knowledge of Brazilian requirements and merchandising methods, Brazilian importers hitherto prefer to place their orders with exporters and shippers in London, Liverpool, Manchester, Hamburg, Bremen, Antwerp, instead of direct with manufacturers. British manufacturers are advised to study the Brazilian market, have it surveyed and analysed comprehensively, in order to secure direct business.

Before appointing an agent, enquiries should be made through one of the established credit and status enquiry bureaux, as well as through a Brazilian Bank. The banking business is of utmost importance to Brazil's foreign trade, and Brazilian bankers generally have a firm hold on the general economic situation.

Once a reliable agent has been found, it is wise to give him a certain amount of liberty in his actions, and follow his instructions strictly. Selling in Brazil is not an easy proposition; the agent knows the circumstances, and his special wishes and requirements should be complied with wherever possible.

A considerable number of the big import houses in Rio de Janeiro and Sao Paulo are German firms with head offices at Hamburg who are well organised, and have their own intelligence and enquiry organisation.

In many trades, textiles especially, manufacturers should ask for samples from their Brazilian agents as it is essential to follow the general trend of taste and fashion, in order to obtain business.

Good quality and prompt delivery are two important selling points. Consignment stocks facilitate business.

TENDERS.

Invitations for tenders are of two classes: public and administrative. The former are published in the press, the latter are sent to competent firms in Brazil. Unless the tendering firm has a branch in Brazil, it must be represented in Brazil, to be eligible for tendering.

TRADE DIRECTORIES.

The most reliable trade directory, the "*Almanak Laemmert*," is published in four volumes: 1. Rio de Janeiro with Federal District; 2. The State of São Paulo; 3. The Northern States: Alagoas, Amazonas, Bahia, Ceará, Espírito Santo, Maranhao, Pará, Paraíba, Pernambuco, Acre, Sergipe, Rio Grande do

Norte, Piahy; 4. The Southern States: Goyaz, Matto Grosso, Minas Geraes, Paraíba, Rio Grande do Sul, Rio de Janeiro (State), Santa Catharina.

RECOMMENDED BANKS.

Bank of London and South America Ltd., with Branches in Rio de Janeiro, Bahia, Ceará, Curitiba, Juiz de Fora, Pará, Pelotas, Pernambuco, Porto Alegre, Rio Grande, Santos, Sao Paulo. Banco do Brazil; B. Nacional Ultramarino; The Anglo-South-American Bank, Ltd.; Banco Allemão Transatlantico; Banco Brasileiro; Banco Germanico para a America do Sul, etc.

SAMPLES.

Wherever possible, these should be sent by sample post registered, not over 16 oz.

EXECUTING ORDERS.

Detailed instructions should be asked of each agent or buyer, and these should be strictly followed. This also applies to the packing, and to the consular invoices and declaration of merchandise.

The inner packing should be as light as possible, especially with goods which are subject to specific duties levied on weight, as this duty is generally levied on the gross weight. Cases should be iron-hooped; perishable goods should be sent in tin-lined cases; in other cases oil-paper may do. Rail transport from the coast to places in the interior is very costly.

LANGUAGE

Do not make the mistake of using Spanish in your correspondence or printed matter. **Portuguese is the language for Brazil.** Rather use English than Spanish if you do not know Portuguese. This must be emphasised, as there seems to exist the opinion that Spanish is the second language in Brazil; it is not.

CATALOGUES, PRICE LISTS, PRINTED MATTER.

Consignments of printed matter are subject to high duties. It is advisable to send printed matter in wrappers by post, at intervals, up to 4 lb.

PRICES AND TERMS.

The official currency is the milreis; 1,000 réis = 1 milréis (1\$000). The term "*Conto*" = 1,000,000 réis paper or 1,000 milréis (1,000\$000). Large sums are always quoted as so many "*contos de réis*." The value of the paper milréis in comparison with the moneys of other countries fluctuates with the rate of exchange.

The "*Gold Vale*" is a note issued by the Bank of Brazil on behalf of the Federal Treasury

for the ratio of Custom's due payable in gold, at present 60 per cent. of the actual duties. These "vales" are purchased by importers in paper currency at the exchange rate of the day.

The "*Conta Assignada*," now termed "*duplicata*," forms the basis for taxation on practically every class of goods sold in Brazil. It is issued by the seller and accepted by the purchaser, and at the same time forms an acknowledgment for the goods and a promise to pay the amount on a certain date. The "*duplicata*" is negotiable and protest in the case of non-acceptance is imperative, but not in the case of non-payment unless there are endorsements necessitating preservation of rights. Prices should be quoted in Milreis or £ s. d.

Terms of payment vary in the different Brazilian States and import centres: In Rio de Janeiro generally 90 days' sight drafts, i.e., 120 days' date of B/L. Documents are generally cleared through Bank against acceptance of draft, but also through agent. For machinery frequently payments on account are made with order.

In Sao Paulo: 60 to 90 days' credit, or 90 days' sight drafts. In Porto Alegre: 120 days' drafts, from date of shipment.

Goods not taken up are auctioned after some time; the price thus obtained generally does not cover custom's and warehousing fees; even if goods are to be returned to sender, the warehousing fees and part of custom's dues have to be paid; this, with freightage both ways always results in a total loss to the sender. Therefore, make enquiries first, before shipping.

ADVERTISING.

Effective and persistent advertising is of greatest importance in Brazil. Press and Poster advertising is of a very high standard in the larger Brazilian cities, and there are several reliable advertising agencies established. Quite recently the railway, tramway, and shipping companies have also decided to accept advertising; the tramway advertising in Rio de Janeiro and Sao Paulo is particularly valuable and effective.

"B.O.M." readers who are interested in advertising in Brazil can obtain from us further particulars and lists of advertising media, etc.

POSTAL SERVICE TO BRAZIL.

Mails take 15—20 days to reach Rio de Janeiro; 13—18 days to Pernambuco; 18 days to Santos; 25 days to Sao Paulo

CUSTOMS TARIFF.

The project of law abolishing exemptions and

reduction of import duties and taxes, granted by virtue of general or special laws, except those stipulated in contracts celebrated with the Federal Government, was approved by Congress on 30th November, 1927. The new regulations with regard to the importation of material for public utilities are as follows:

Materials imported for the execution or exploitation of public services—water supply, sewerage, light, power, gas, transport, including mail carrying, telegraph, telephone, radio-telephone and radio-telegraph—carried out directly by States, by the Federal District, and by municipalities, or by enterprises by virtue of the delegation or concession of contracts by these, or by the Federal Government shall pay:—

- (a) 40 per cent. of the duties established in the Customs Tariff—when dealing with materials subject to ad valorem despatch, the rate of which is 15 per cent. or more
- (b) 50 per cent. of the duties—when dealing with materials despatched ad valorem at a rate less than 15 per cent., or when dutiable on a weight or unit basis

Duties will be payable 60 per cent. in gold and 40 per cent. in paper, and other dues will be paid in accordance with the law in force.

No country enjoys any preferential rates or drawbacks except the United States and the Argentine which enjoy exemption from duties on fresh fruit. The tariff is highly protective, and is frequently subjected to alterations. There is a minimum and maximum tariff in force, the latter is about the double of the former.

The duties are mostly specific duties (on weights and units); there are a few ad valorem duties, levied on the market price plus all extras, such as freight, insurance, commission, etc. In addition to the custom's duties, there are quay dues, statistical dues, stamp dues, and custom's broker's dues, varying in the different ports. In all custom's ports 2% port dues are levied.

All invoices must be accompanied by consular invoices, fourfold; the consular fee is 4 gold milrêis up to £200, and one additional gold milrêis for each additional £100. The consular invoices must be in Portuguese; the values must be the same as on the commercial invoice. Weights and values of units must be specified. Failure to comply with these regulations involves heavy fines.

Goods sent in transit through Brazil are exempt from duties. Goods bearing trade marks or other marks in Portuguese, must bear the name of the country of origin.

COMMERCIAL TRAVELLERS

The traveller should make himself well acquainted with market conditions in Brazil, before

he leaves. Industries established in Brazil enjoy liberal State support and protection, and competition with these is extremely difficult. The traveller should be provided with ample printed matter, catalogues, in Portuguese. Commercial travellers are taxed in the following States:—Amazonas (1,000 milréis p.a.); Maranhao (400 milréis p.a.); Rio Grande do Sul (300 milréis p.a.); Pará (420 milréis p.a.); etc.

Travellers' samples are subject to duty; duty will be refunded when samples are taken out of the country again.

LEGAL ASPECTS.

We have a list of English-speaking solicitors and lawyers who will assist British firms in all legal questions, collection of accounts, disputes, actions, etc. We will communicate their names and addresses upon request.

Legal costs are high and depend upon the duration of action. Brazilian lawyers, acting on behalf of foreign firms, require an authorisation on official paper.

PATENTS AND TRADE MARKS.

Imitations are frequent in Brazil. It is advisable to register existing trade marks and patents with the Brazilian Patent Office (*Directoria Geral da Propriedade Industrial*) in Rio de Janeiro. Applications must be made through patent agents resident in Rio.

Patent and Trade Mark registrations are granted for 15 years. The costs of Patent registration, including the first year's tax amount to 400 milréis. Further dues are: 2nd year 60 milréis; 3rd year 80 milréis; 4th year 100 milréis; 5th year 120 milréis; 6th year 140 milréis; 7th year 160 milréis; 8th year 180 milréis; 9th year 200 milréis; 10th year 220 milréis; 11th year 240 milréis; 12th year 260 milréis; 13th year 280 milréis; 14th year 300 milréis; 15th year 320 milréis.

Brazil belongs to the International Convention. Costs of trade mark registration amount to 250 milréis.

GENERAL ECONOMIC SITUATION.

1927 has been a year of exceptional internal tranquility in Brazil; the heavy expenditure disbursed by the previous Government has been avoided. The Monetary Reform Bill will eventually resolve the problem of stabilisation, and bring to the country real and lasting benefits.

Brazilian industries are on the upward move, and the general economic future may be regarded as favourable. However, more capital is wanted,

and with the great potentialities of Brazil, British enterprises should pay more serious attention to that market.

America is Britain's chief competitor in Brazil, followed by Germany.

With organised merchandising methods, based upon a thorough study of the market, Great Britain should be able to increase her exports to Brazil, especially in steel and iron goods, tools, motor vehicles, special machinery, textiles, chemicals.

The limited space available for these compact market surveys prevents us from giving statistical data and tables indicating directions for operation on the Brazilian market. But, in any case, these would have to be generalised, whereas it is of greater importance to British manufacturers to have data referring to their own particular products.

Our Research Department is in constant with the various marketing centres in Brazil; have our correspondents in Rio de Janeiro, Santos, Sao Paulo, Pernambuco, Pará, Bahia, and other places. We have already a considerable amount of specific data in hand, and can compile individual trade reports with surveys for manufacturers who are anxious to extend their Brazilian trade, and base their marketing efforts upon Facts and Figures.

We invite manufacturers to apply for full details of our Market Research facilities as applied to Brazil.

THE MONEY QUESTION WHEN TRAVELLING ABROAD.

(Continued from page 402)

JUGOSLAVIA:—When arriving at the frontier, it is wise to declare imported sums of money, as otherwise, when leaving the country, only limited Dinar amounts or their value at a disadvantageous rate of exchange will be allowed to be taken out of the country.

LITHUANIA:—Gold and silver coins are not allowed to be taken into the country.

LUXEMBOURG:—Gold and silver coins cannot be taken out of the country.

NORWAY:—Gold and silver coins not allowed to be exported.

POLAND:—When leaving the country not more than 1,000 gold-Zloty may be taken out.

PORTUGAL:—Not more than 1,000 Escudos or 10 Pound Sterling may be carried when leaving the country.

ROUMANIA:—When leaving the country the traveller may take out amounts up to 5,000 Lei; any amount above this must be declared beforehand.

Therefore—watch your purse when travelling abroad.

XI.—SIAM.

COMPACT FACTS ABOUT THE MARKET.—Area: 199,600 sq. m. Population: 9,725,000. **Constitution:** Independent Kingdom, between Burma and French Indo-China. **Important Cities:** Bangkok, Puket Senggora, Chiengmai, Nakawn-Lampang, Korat. **Capital:** Bangkok (545,000 popul.) **Languages:** Siamese and English. **Monetary Units:** 100 Satangs=1 Tical; at par Tc. 11 to the £. **Weights and Measures:** Metric System, *not compulsory* until 1929; the customary tables are: 1 tical=15 grammes (236 grains troy); 80 ticals=one catty (1,200 grammes, or 2½ lbs. avoirdupois); 50 catties=one picul (133½ lbs. avoirdupois), for weights, for measures: 1 neuw=13/16 inch; 24 neuw=one sauk (19½ inches); 4 sauk=one wah (6½ feet); 20 wah=one sen (43½ yards); 100 square wah=one ngan (about 1/10th acre); 4 ngan=one rai (about 2/5 acre); one yok=11.44 cubic feet (for sawn timber). Capacity: one kanahn=about 19/20 litre; 20 kanahn=one tang (bucket=about 19 litres); 100 tang=one kwien or coyan (cart-load). 25 kanahn=one sat (bushel=about 23¾ litres); "sat" used for measuring paddy only; "tang" used for rice and other articles, including liquids.

PRODUCE.

Chiefly rice. Teak, minerals (tin, iron, zinc, antimony).

IMPORTS.

Cotton, yarns, provisions, oils, coal, coke, iron and steel goods, machinery, tools, tin plate, wire and nails, enamelled goods, paper, stationery, tobacco, jute bags, silk goods, opium.

IMPORTED FROM.

Hong Kong, Great Britain, British Malacca, Malay States (Singapore), China, British India, Dutch East Indies, Japan, United States, Germany, France, Indo-China. 80 per cent. of the entire foreign trade passes through the port of Bangkok.

EXPORTS.

Rice, teak, ivory, silk, minerals, sugar, hides, leather, cattle.

EXPORTED TO.

Hong Kong, British Malacca, Malay States, Dutch East Indies, China, Japan, British India, Great Britain, Germany.

The trade is done almost entirely with the British Eastern ports, Singapore, Hong Kong, and Bombay.

ENTERING THE MARKET.

Most import and export houses have their offices and warehouses at Bangkok. Business with European manufacturers is generally done with indent houses in London, Manchester, Hamburg, Antwerp. The traders are general

merchants; there are few specialised businesses. Manufacturers deal preferably with European dealers, generally British import houses, as there are few reliable Siamese and Chinese business houses.

EXECUTING ORDERS.

Packages should have English and Siamese labels, directions of use, etc. The use of pictorial trade marks is strongly recommended. Orders should be executed promptly, and up to sample, as otherwise goods will be refused, and considerable losses will be incurred.

CATALOGUES PRICE LISTS, SAMPLES.

Catalogues should be richly illustrated; descriptions in simple, clear language, in English, and preferably also Siamese. Weights and measures should be indicated in the metric system, with native equivalents wherever possible.

TERMS.

General Terms are payment against shipping documents on arrival, through banks; old established British houses are granted 60—90 days' credit, or pay with sight drafts against documents on arrival.

RECOMMENDED BANKS.

The Hong Kong and Shanghai Banking Corporation; Anglo-Siam Corporation Ltd.; The Siam Commercial Bank, Ltd.; Banque de l'Indo-Chine; the Chartered Bank of India, Australia and China.

POSTAL INFORMATION.

Mails 28 to 35 days. Dutiable articles may be

imported by letter post on condition that the packet bears a green label giving precise particulars of nature, weight and value. Printed papers, limit 4 lbs. Samples, limit 16 ozs. Parcels for inland forwarded from coast at cost of addressee. Insured parcels to Bangkok only.

ADVERTISING.

Chiefly newspapers; other media (posters, etc.) little developed. Newspapers in English and Siamese. Dailies: "*Times*," "*Siam Free Press*," "*Siam Observer*," "*Bangkok Times*." Weeklies: "*Weekly Mail*," "*Siam Maitri*."

For advertising to the consumer, pictorial language essential; colours extremely helpful. This applies also to catalogues, printed matter, etc.

COMMERCIAL INFORMATION.

Consular invoices and C/O not required. Merchandise to be declared in detail on commercial invoices, and origin of goods to be stated. General Tariff rate, 3 per cent. ad valorem.

COMMERCIAL TRAVELLERS.

Passport visa 8/-; no licence. Duty on samples to be deposited; will be refunded when leaving. Complete lists of samples must be submitted on entering.

CUSTOMS TARIFF.

General Tariff 3 per cent. ad valorem. Beer and Wine 8 per cent.; Spirits up to 25° alcohol 40 satangs per litre. Duties to be paid in silver ticals. Commercial invoices should show value c.i.f. port of arrival Siam.

Goods sent in transit through Siam exempt from duty.

LEGAL ASPECTS.

Foreign Judgments cannot be executed. Legal costs very high, and only advisable for big objects. Names of recognised lawyers, speaking English, can be communicated upon request.

TRADE MARKS, PATENTS.

Special legislation relating to these has been prepared, but is not yet in force. Provision for protection is made in the Siamese Penalty Code. The Siamese Ministry of Trade will protect priority of trade marks and patents, upon application through resident representative.

GENERAL ECONOMIC DEVELOPMENT.

The financial stability of Siam may be considered assured. The Anglo-Siamese General and Commercial Treaties have been ratified in

March 1926; they are of great importance to British subjects engaged in trade with Siam. British subjects are now subject to the jurisdiction of the ordinary Siamese Courts.

British cotton yarns, threads, fabrics, and all other manufactures of cotton, iron and steel, and manufactures thereof, machinery and parts, shall not, on importation into Siam, be subjected to any customs duty in excess of 5 per cent. ad valorem during the first ten years after this treaty has come into force. This treaty provides for most-favoured nation treatment.

Japan and Germany are the British manufacturer's most serious competitors in the Siamese market, especially in manufactures of iron and steel, machinery, including machine tools, enamelled goods.

Great Britain has excellent prospects where textiles, cutlery and tools, other than machine tools, vehicles, motor cars and cycles are concerned; and this trade is increasing.

There are great prospects in these goods, for the British manufacturer who cultivates this expanding market; as the legitimate import trade is generally in the hands of old-established British houses, transactions are very safe. Britain is still the largest supplier of textiles, unprinted paper, electrical goods and apparatus, soaps.

Considerably far-reaching developments are in progress in railways and road construction, irrigation, and forestry of Siam.

Siam's prosperity depends upon her rice crops, and good irrigation and transport must be assured. Several projects are in progress, and it is also expected that the Siamese Railway System (now 2,700 kilometres) will ultimately be linked up with that of Burma.

Road improvements will increase the demand for motor cars and other vehicles.

Up to the outbreak of the war, the Siamese foreign trade was almost exclusively oriental (via Hong Kong, Singapore, Bombay). Since the war, however, America and most European countries have developed a steadily growing direct trade with Siam, a development which should induce British manufacturers to pay special attention to this market, which is all in favour of British goods and British business methods in general.

Readers of "*B.O.M.*" are invited to let us know their individual problems and queries relating to their trade with Siam. We have additional data and information at hand, from which we can supply answers to most queries. In addition, our Bangkok, Puket, and Korat correspondents will be able to furnish full reports on trading possibilities and methods, channels, etc.